

OFFICIAL STATEMENT



Riverside County Board of Education Service Center Building Corporation

Riverside County, California

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\$6,320,000

AUG 7 1978

Principal Amount

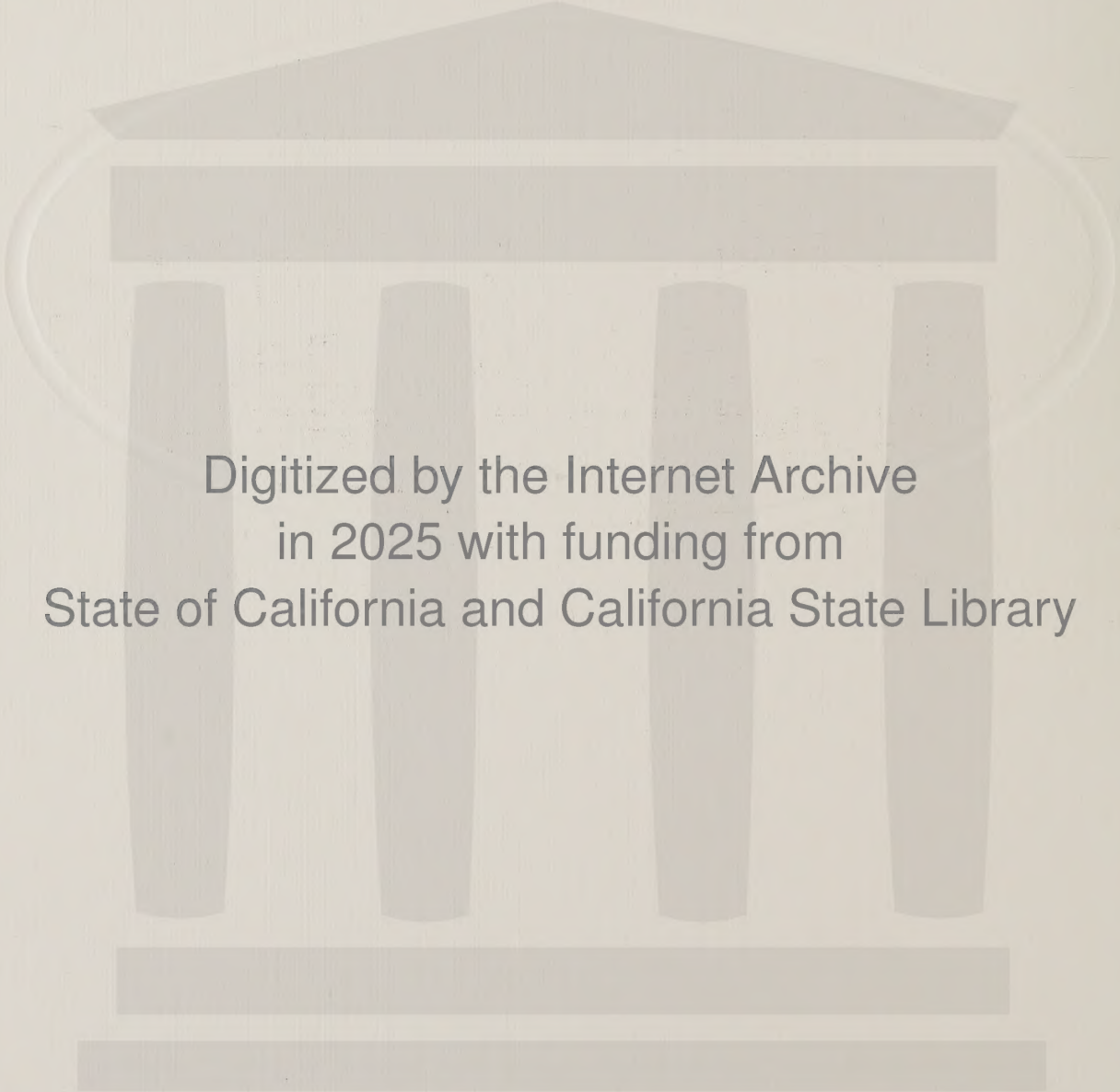
UNIVERSITY OF CALIFORNIA

Leasehold Mortgage Bonds, Issue of 1978

[Stone & Youngberg, municipal financing consultants]

*Riverside county -- Economic conditions
School bonds -- California -- Riverside co.*

Bids to be received by the Corporation on or before 10:00 AM, Monday,
August 21, 1978, at the Office of the Riverside County Superintendent of Schools,
Second Floor Conference Room, 4015 Lemon Street, Riverside, California 92502.



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OFFICIAL STATEMENT
\$6,320,000 LEASEHOLD MORTGAGE BONDS, ISSUE OF 1978
RIVERSIDE COUNTY BOARD OF EDUCATION
SERVICE CENTER BUILDING CORPORATION

Dr. Charles A. Lee, *President, Director*

Joan V. Baker, *Vice President, Director*

Jack B. Clarke, *Director*

Marilyn D. Afflerbaugh, *Secretary/Treasurer, Director*

Maurice Stokesbary, *Director*

RIVERSIDE COUNTY BOARD OF EDUCATION

Gene DeGaine, *President*

Betty Gibbel, *Vice President*

Dr. W. Edwin Gardner

Marilyn Baumert

J. Frank Moore

Dr. Dan Donlan

Ruth Miller

ADMINISTRATIVE STAFF

Dr. Don F. Kenny, *Superintendent*

Dr. Brooks P. Coleman, *Associate Superintendent*

Dr. Louis S. Barber, *Assistant Superintendent, Special Schools and Services*

Mr. Harold Creager, *Assistant Superintendent, Educational Services*

Dr. Morris L. Reeves, *Assistant Superintendent, Administration and Business Services*

Dr. Robert D. Wilson, *Coordinator, Planning & Development*

Mr. James H. Angell, *County Counsel*

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Bond Counsel

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Financing Consultants

Clinton Marr and Associates, *Riverside, California*
Architects

United California Bank, *Los Angeles, California*
Trustee

Manufacturers Hanover Trust Company, *New York, New York*
Paying Agent

Northern Trust Company, *Chicago, Illinois*
Paying Agent

THE DATE OF THIS OFFICIAL STATEMENT IS AUGUST 2, 1978

770646

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on, and buyers of, \$6,320,000 principal amount of the Issue of 1978 Bonds, proposed to be issued by the Riverside County Board of Education Service Center Building Corporation.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Corporation and the Riverside County Board of Education (which firm will receive compensation from the Corporation contingent upon the sale and delivery of the Bonds).

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The agreements of the Corporation with the purchasers of the Bonds are set forth in the Indenture of Mortgage and Deed of Trust. This document will be available to any prospective investor in the Bonds. Reference is hereby made to this document for a complete statement of the rights and obligations of the Corporation and holders of the Bonds.

No dealer, broker, salesman or other person has been authorized by the Corporation or the Board to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

A certificate, dated as of the closing date, and signed by a member or officer of the Board acting in his or her official capacity, will be delivered to the successful purchaser of the Bonds stating that, to the best of his or her knowledge and belief, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. Two hundred copies of the Official Statement will be supplied to the purchaser of the Bonds.

The opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel to the Corporation, will be furnished to the successful bidder (see the section entitled "Legal Opinion" herein). The scope of Bond Counsel's employment in connection with the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions set forth herein under the sections entitled "Riverside County Board of Education Service Center Building Corporation" (exclusive of those provisions of the subsection entitled "Organization and Membership" which describe the board members) and "The Bonds" (exclusive of the subsection entitled "Estimated Annual Bond Service").

Dated August 2, 1978.

RIVERSIDE COUNTY BOARD OF EDUCATION
SERVICE CENTER BUILDING CORPORATION

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CONTENTS

Introduction	1	Furniture and Equipment	16
Riverside County Board of Education Service Center Building Corporation	2	Bonds of 1978	16
Organization and Membership	2	County Board of Education and Office of County Superintendent of Schools:	
Powers of the Corporation	2	Organization and Financial Data	18
Financing Procedures and Basic Legal Documents	3	Organization	18
Lease and Sublease	3	Function	18
The Bonds	6	Special Education Master Plan Implementation	19
Authority for Issuance	6	Assessed Valuations	19
Description of the Bonds	6	Taxing Authority	21
Terms of Sale	6	Tax Rates	21
Redemption Provisions	6	Tax Levies, Collections, and Delinquencies	23
Trustee and Paying Agents	6	Income and Expenditures	23
Form, Denomination, and Registration	7	Large Taxpayers	23
CUSIP Numbers	7	Fund Balances	29
No Litigation	7	Employer-Employee Relations	29
Article XIII A of the California Constitution (Jarvis-Gann Constitutional Amendment)	7	Pension Plans	31
Chapter 292, 1978 Statutes (Senate Bill 154) and Chapter 332, 1978 Statutes (Senate Bill 2212)	8	Bonding Capacity and Debt Statement	32
Serrano Decision	8	Other Indebtedness	32
Legal Opinion	8	Future Bond Sales	32
Tax Exemption	8	Riverside County	34
Legality for Deposit of Public Money	8	County Government	34
Eligibility for National Banks	8	Population	34
Sale of Bonds in California	8	Housing	35
Sale of Bonds in States Other Than California	9	Income	35
Purpose of Issue	9	Employment	36
Security	9	Federal Installations	37
Title Insurance	11	Industry	37
The Indenture	11	Mineral Production	40
Other Covenants	14	Commerce	40
Estimated Annual Bond Service	14	Construction	41
The Project	16	Agriculture	42
Project Description	16	Banking and Finance	42
Organization for Project Implementation ...	16	Transportation	43
		Education	44
		Utilities	44
		Tourism and Recreation	44
		County Services	45
		Sundesert Nuclear Plant	45

TABLES

Table 1.	Riverside County Board of Education—Leasehold Mortgage Bonds Principal Maturities	6
Table 2.	Riverside County Board of Education—Estimated Maximum Annual Bond Service	15
Table 3.	Assessed Valuation—1973/74-1977/78	20
Table 4.	1977/78 Assessed Valuation Showing Homeowner and Business Inventory Exemptions	20
Table 5.	Riverside County Board of Education—Secured Property Tax Rates	22
Table 6.	Tax Code Area 9002—Secured Property Tax Rates	22
Table 7.	Secured Tax Levies, Collections, and Delinquencies	23
Table 8.	Actual Revenue and Expenditures 1973/74	24
Table 9.	Actual Revenue and Expenditures 1974/75	25
Table 10.	Actual Revenue and Expenditures 1975/76	26
Table 11.	Actual Revenue and Expenditures 1976/77	27
Table 12.	Budgeted Revenue and Expenditures 1977/78	28
Table 13.	Statement of Direct and Estimated Overlapping Bonded Debt	33



Riverside County in relation to the Cities of Los Angeles and San Diego.

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INTRODUCTION

The Riverside County Board of Education Service Center Building Corporation was formed on April 7, 1977 as a nonprofit corporation pursuant to the General Nonprofit Corporation Law of the State of California (Title 1, Division 2, Part 1, of the California Corporations Code). The purpose of the Corporation is to provide financial assistance to the Riverside County Board of Education by financing the construction, improvement and remodeling of an administrative facility for use of the Board and the Office of the Riverside County Superintendent of Schools.

The currently offered bonds will finance the construction and remodeling of an administrative facility (construction bid of \$3,976,884), the architect's fees, funded interest for 27 months, a one-half maximum annual bond service fund, the costs of bond issuance and a construction contingency.

The facility is to be leased to the Riverside County Board of Education pursuant to the Riverside County Board of Education Service Center Building Corporation Sublease dated August 1, 1978 (the "Sublease"). The Sublease provides for the Board to pay for the use and occupancy of the Project an annual base rent to be paid semiannually which will be sufficient to pay the principal and interest coming due on the Issue of 1978 Bonds. The base rent is estimated at \$645,600 which reflects maximum annual debt service assuming an 8 percent interest rate is bid on the currently offered bonds. The Sublease also provides for the District to pay an additional rent (estimated at \$45,000) to meet certain identified operating expenses of the Corporation in conjunction with the Project.

The Board also covenants in the Sublease to include the total base and additional rent in its

budget each year and to appropriate the necessary money for the rental payments.

Moneys from the County School Service Fund will be used for payment of the base and additional rent. The County School Service Fund consists of, in part, seven separate funds which include revenues from federal, state and county tax sources. The total estimated County School Service Fund budget for 1978/79 including the state apportionment of approximately \$6,830,000 (Senate Bill 154, Chapter 292, 1978 Statutes to provide replacement property tax revenues lost due to the passage of the Jarvis-Gann Constitutional Amendment) is \$35,517,415. There is no guarantee that lost property tax revenue in any future fiscal year will be apportioned by the Legislature.

Riverside County has a total area of 7,249 square miles and is the fourth largest county in California. Population within the County has grown from 459,074 in 1970 to 590,200 in 1978. The assessed valuation of the County has increased from \$1,572,408,499 in 1973/74 to \$2,403,123,971 (corrected for redevelopment increments) in 1977/78. The Auditor-Controller estimates the 1978/79 assessed valuation as \$2,520,000,000. The 1977/78 current secured tax delinquency is 3.44 percent.

Upon delivery of the Corporation's Issue of 1978 Bonds, the total of the Corporation's (the Board has no outstanding bonds) direct debt will be \$6,320,000 or 0.263% of assessed valuation and 0.063% of estimated real value. Direct and estimated overlapping debt will be 12.475% and 3.013% of assessed valuation and estimated real value, respectively.

RIVERSIDE COUNTY BOARD OF EDUCATION SERVICE CENTER BUILDING CORPORATION

Organization and Membership

Riverside County Board of Education Service Center Building Corporation, herein referred to as the "Corporation" was formed on April 7, 1977 as a nonprofit corporation pursuant to the General Nonprofit Corporation Law of the State of California (Title 1, Division 2, Part 1, of the California Corporations Code.) The purpose of the Corporation is to provide financial assistance to the Riverside County Board of Education, Riverside County, California, herein referred to as the "Board", by financing the construction, improvement and remodeling of an Administrative facility for use of the Board and the Office of the Riverside County Superintendent of Schools.

The Corporation functions as an independent entity and its policies are determined by a five-member Board of Directors who are community leaders and residents of the County. The directors of the Corporation receive no compensation for work or service performed as Corporation directors. All staff work is done by the Board staff or by consultants to the Corporation since the Corporation has no employees. The members of the Board of Directors are:

President and Director: Dr. Charles A. Lee, optometrist and member of the California Optometric Association and the American Optometric Association. Dr. Lee is active in various local Rotary and church activities.

Vice President and Director: Joan V. Baker, homemaker and an active supporter of local education and various philanthropic activities. Mrs. Baker has served with various PTA organizations including two years as President of the Riverside Council of PTA's. In addition, Mrs. Baker has volunteered her time for various classroom assignments including classes for dyslexic children. Mrs. Baker is a

member of the Board of Directors of the Riverside Mental Health Association and the YWCA. She is also a member of the Riverside Coalition on World Hunger and various community task forces.

Secretary/Treasurer and Director: Marilyn D. Afflerbaugh, homemaker and an active participant in various school and philanthropic activities. Mrs. Afflerbaugh has served as both member and officer of various PTA organizations and has been recognized for her efforts in this area. Mrs. Afflerbaugh has served on several school advisory committees and has been a participant and officer of various school bond election committees. In addition Mrs. Afflerbaugh has served as member and officer of Epsilon Sigma Alpha Women International and is associated with the American Heart Association, the American Cancer Society, the City of Hope and the March of Dimes.

Director: Jack B. Clarke, Chief, Institutions and Camps Branch, Southern Division of the California Youth Authority. Mr. Clarke's professional career has been primarily concentrated in various areas of youth training and rehabilitation. Mr. Clarke is a member of the Board of Directors of the Family Service Agency and a past member of the Board of Directors of the Riverside Planning Council. Mr. Clarke is a Past President of the Riverside Branch of the NAACP and a member of the Southern California Juvenile Officers' Association, the California Probation, Parole and Corrections Association and the National Council on Crime and Delinquency.

Director: Maurice Stokesbary, prior to his retirement, Superintendent of Schools for the Alhambra City School District. Mr. Stokesbary is a member of the Sun City Rotary Club, a director of the Masonic Club, a director of the California Retired Teachers Association and a member of the Riverside County Committee on School District Organization. Mr. Stokesbary is a former board member and past president of the Perris Union High School District. He is also a former member of the California School Boards Association Delegate Assembly and a former member of the Executive Committee of the Riverside County School Boards Association.

Powers of the Corporation

The powers of the Corporation are vested in and exercised by a majority of its directors. Under its Articles of Incorporation, the Corporation has all powers conferred upon nonprofit corporations by the laws of the State of California including the following:

(a) To incur indebtedness and in connection therewith to issue bonds, debentures, notes or other evidences of indebtedness;

(b) To purchase or otherwise acquire, own, hold, use, sell, exchange, assign, convey, lease or otherwise dispose of any mortgage or otherwise hypothecate or encumber personal property;

(c) To lease by any lawful means any real property and facilities as described and owned by the Board and available for such public purposes, to construct or provide for the construction of said facilities and improvements, and to lease such real property as improved back to the Board.

(d) To assign, transfer, mortgage, convey in trust, pledge and hypothecate the leasehold estate created by any such lease and the rentals payable to the corporation under any such lease back as security for any such bonds, debentures, notes or other evidences of indebtedness;

(e) To construct or provide for the construction of said facilities and improvements or to contract with others for the construction of all or portions thereof.

Financing Procedures and Basic Legal Documents

The \$6,320,000 principal amount of the Corporation's Leasehold Mortgage Bonds currently being offered for sale, herein referred to as the "Bonds," will be issued pursuant to an Indenture of Mortgage and Deed of Trust, herein referred to as the "Indenture," between the Corporation and United California Bank, as Trustee. The Indenture, approved by the Corporation as to form on August 2, 1978, will be dated as of August 1, 1978, and will be executed on behalf of each party prior to the delivery of the Bonds. A summary of certain provisions of the Indenture is discussed in "The Bonds" section of this Official Statement. Reference is made to the complete text of the Indenture included with the Basic Legal Documents accompanying the distribution of this Official Statement.

Proceeds from the sale of the Corporation's Bonds will be used to construct an administrative facility (herein called the "Project") on a Board-owned site. The facility to be constructed and the application of proceeds from the sale of the Bonds are described in "The Project" section of this Official Statement.

The Board will lease from the Corporation the improved site pursuant to provisions of the Lease and Sublease which are summarized.

Lease and Sublease

The Riverside County Board of Education Facility Lease and Sublease, approved on August 2, 1978, as to form by the Corporation, will be dated as of August 1, 1978, and will be executed by the Corporation and the Board after bids for the Bonds have been received but prior to the delivery of the Bonds.

Ground Lease. The Ground Lease section of the Lease and Sublease provides for the Board to lease to the Corporation for \$1.00 the real property upon which the Project is to be built. The term of the Ground Lease runs from the date of execution to one week after the term of the Sublease of the improved site to the Board, unless earlier terminated by payment of the Bonds.

Construction of Facilities. The Corporation has obtained bids for the construction of the Project at a cost of \$3,976,884. Concurrent with the execution, delivery, and recordation of the Lease and Sublease, the Corporation will enter into a contract with the lowest responsible bidder, Buster & Schuler Construction, Inc., of Redlands, California, for the construction of the Project in accordance with plans and specifications approved by the Corporation and the Office of the State Architect.

Under terms of the contract, construction of the Project shall be completed, subject to the usual force majeure provisions, within 640 calendar days of the date of the lease; however, with the consent of the Board the completion date may be extended by the Corporation to a date no later than November 1, 1980.

Sublease to Board. The Corporation will sublease the improved site to the Board. The term of the Sublease will run to the earlier of: (1) November 2, 2000, or (2) payment of all principal, interest, and premiums, if any, or other sums to discharge all security devices and instruments filed with the Board.

Commencement of Rent. It is contemplated that the Board will occupy the improved site on or before April 1, 1981. The first payment of rental shall be due April 15, 1981, or the date of occupancy by the Board, whichever is later. If the Project is not fully completed by April 15, 1981, the Board may occupy and pay rent, in an amount not to exceed the fair rental value, for the occupied portion of the Project.

Rent. Rent payable for the use and occupancy of the Demised Premises and the Project is denominated "base rent" and "additional rent."

Base Rent. The Board agrees to pay the Corporation a base rent, semiannually, beginning on April 15, 1981 (out of fiscal year 1980/81 revenues), and each succeeding October 15 and April 15 up to and including October 15, 2000, unless payment or provision for payment of all principal, interest and premium, if any, or other sums so that all security devices and instruments filed with the Board are earlier discharged.

Additional Rent. Provisions of the Sublease also require the Board to pay to the Corporation additional rent, over and above the base rent, for additional expenses including: (1) all taxes and assessments, if any, (2) insurance premiums, and (3) all administrative costs of the Corporation.

Board Provision for Rent. The Board covenants to include all base rent and additional rent payments in its annual budget and to make the necessary annual appropriations for all such payments.

Insurance. The Corporation is required to obtain and maintain throughout the term of the Lease and Sublease various insurance coverages including fire and extended coverage, public liability and property damage. Earthquake, and rental or use and occupancy insurance are required of the Corporation under the Indenture. The major features of these types and amounts of insurance coverages are discussed in "The Indenture" subsection of "The Bonds" section of this Official Statement.

Maintenance, Utilities, Taxes and Assessments. The Sublease provides that the Board shall be responsible for the maintenance and repair of the Project while in possession of the Project, shall pay or arrange for the payment of such costs as well as utilities, taxes, and assessments throughout the term of the Sublease. Additions or alterations to the Project after completion may be made with the written consent of the Corporation and upon such terms as may then be agreed upon.

Abatement of Rent. The rent payable by the Board shall be abated or adjusted to reflect fair rental value, during any period in which there is substantial interference with the Board's use and occupancy of the Project due to damage or destruction. In the event of damage or destruction of the Project the Corporation may: (1) restore the facil-

ities to use, in which case the Lease and Sublease shall remain in full force and effect, or (2) terminate the Lease and Sublease and use money collected from insurance against destruction of, or damage to the Project, to the extent necessary to retire outstanding debt of the Corporation. To the extent that funds are insufficient to retire the outstanding debt, the Bonds will be paid on a pro rata basis.

Eminent Domain Proceedings. In the event the Site and the Facilities, or a portion thereof as to render the same unusable, shall be permanently taken under the power of eminent domain or sold to any governmental agency threatening to exercise such power, the Board shall receive that portion of the condemnation award or sale proceeds attributable to the taking or sale of the Site, the Corporation shall receive that portion of the condemnation award or sale proceeds attributable to the taking or sale of the Facilities and the Lease and Sublease shall terminate provided that the Corporation shall have retired or have made provision therefor of the then outstanding debt. To the extent that funds are insufficient to retire the outstanding debt, the Bonds will be paid on a pro rata basis.

In the event the Site and the Facilities, or a portion thereof, shall be temporarily taken under the power of eminent domain, the Board shall receive that portion of the condemnation award attributable to the taking of the Site, the Corporation shall receive that portion of the condemnation award attributable to the taking of the Facilities and the Lease and Sublease shall not terminate; provided that rent shall be abated or adjusted downward to reflect fair rental value.

In the event that less than all of the Site and the Facilities shall be taken under the power of eminent domain or sold to any governmental agency threatening to exercise such power and the remainder is usable for the purposes intended, the Lease and Sublease shall not terminate, but rental payment shall be partially abated or adjusted in the same manner as provided above. If the condemnation award is, or sale proceeds are, sufficient to repair and rebuild the Facilities, and the Board gives its consent, the Corporation shall receive the entire condemnation award or sale proceeds, and shall repair and rebuild the Facilities in such manner as the Board may direct. Any balance of the condemnation award or sale proceeds remaining after the Facilities have been repaired and rebuilt shall first be used to pay the Board an amount not exceeding that portion of the condemnation award or sale proceeds attributable

to the Site, and any remaining balance shall be retained by the Corporation.

If the condemnation award is, or sale proceeds are, insufficient to repair and rebuild the Facilities, or if the Board refuses to give its consent, the Board shall receive that portion of the condemnation award or sale proceeds attributable to the taking or sale of the Site and the Corporation shall receive that portion of the condemnation award or sale proceeds attributable to the taking or sale of the Facilities.

Default By Board. Should the Board default and fail to remedy any default, the Corporation has the right to terminate the Sublease and re-enter the premises, or without terminating the Sublease, re-

enter and relet the Project as the agent of and for the account of the Board.

Termination of Sublease and Disposition of Project. Upon termination of the Sublease, the Corporation agrees to surrender to the Board the Site and title to permanent improvements thereon.

The foregoing summary discussion of features contained in the Lease and Sublease are made subject to all of the provisions of the Lease and Sublease. This summary does not purport to be a complete statement of such provisions and reference is made to the Lease and Sublease which is included as part of the Legal Documents accompanying this Official Statement.

THE BONDS

Authority for Issuance

The \$6,320,000 principal amount of Riverside County Board of Education Service Center Building Corporation Leasehold Mortgage Bonds, herein referred to as the "Bonds", will be issued pursuant to a certain Indenture of Mortgage and Deed of Trust approved as to form on August 2, 1978, to be dated as of August 1, 1978, herein referred to as the "Indenture", from the Corporation to United California Bank, as Trustee. The Bonds, as well as any additional series of bonds that may be issued under the Indenture, will be secured under the provisions of the Indenture. A copy of the Indenture is included in the Basic Legal Documents which accompany this Official Statement.

Description of the Bonds

The Bonds will be dated August 1, 1978, and will bear interest from their date, payable for the first three months on November 1, 1978, and each succeeding May 1 and November 1. The Bonds will mature on November 1 in each of the years in the designated principal amounts as shown in Table 1.

Table 1

**RIVERSIDE COUNTY BOARD OF EDUCATION
Service Center Building Corporation
Leasehold Mortgage Bonds
Principal Maturities**

Maturity Date Nov. 1	Principal Amount	Maturity Date Nov. 1	Principal Amount
1981 ...	\$140,000	1991 ...	\$300,000
1982 ...	150,000	1992 ...	320,000
1983 ...	160,000	1993 ...	345,000
1984 ...	175,000	1994 ...	375,000
1985 ...	190,000	1995 ...	405,000
1986 ...	205,000	1996 ...	440,000
1987 ...	220,000	1997 ...	475,000
1988 ...	235,000	1998 ...	510,000
1989 ...	255,000	1999 ...	550,000
1990 ...	275,000	2000 ...	595,000

Terms of Sale

Bids for the purchase of the Bonds currently being offered will be received by the Purchasing Agent for the Superintendent on behalf of the Corporation at 10:00 A.M., Monday, August 21, 1978, at the Office of the Riverside County Superintendent of Schools, Second-Floor Conference Room, 4015 Lemon Street, Riverside, California 92502. Details of the terms of sale are included in the Notice Inviting Bids adopted by the Board of Directors of the Corporation on August 2, 1978.

Redemption Provisions

Except as described in the following paragraph, Bonds maturing on or before November 1, 1995, an aggregate total principal amount of \$3,750,000, are not subject to call or redemption prior to their fixed maturity dates. Bonds maturing on or after November 1, 1996, an aggregate total principal amount of \$2,570,000, are subject to call and redemption prior to their respective stated maturities, at the option of the Corporation, as a whole, or in part in inverse order of maturity and by lot within a single maturity, on November 1, 1988, or on any interest payment date thereafter, at the principal amount and accrued interest to the date of redemption together with a premium of $\frac{1}{4}$ of 1% for each twelve-month period or fraction thereof from the date fixed for redemption to the fixed maturity date of the Bonds so called for redemption. The maximum premium is 3 percent.

The Corporation shall also have the right, on any interest payment date, to redeem Bonds, as a whole, or in part by lot within each maturity then outstanding, from proceeds of insurance paid for loss or substantial damage to the Project or proceeds of eminent domain proceedings, at the principal amount and accrued interest thereon to the date fixed for redemption, without premium so that approximately equal annual debt service will prevail.

Notice of call and redemption of any Bonds is to be published in a financial journal or newspaper at least 30 days before the redemption date. The Trustee is required to give written notice of call and redemption to the registered owner of any Bonds.

Trustee and Paying Agents

Principal, or the redemption price of, and interest on the Bonds will be payable in lawful money of the United States of America at the principal office of the Trustee, United California Bank, in Los Angeles, California, and in the case of coupon Bonds, at the

option of the holder at the Manufacturers Hanover Trust Company in New York, New York, the Northern Trust Company in Chicago, Illinois, or United California Bank, San Francisco, California.

Form, Denomination, and Registration

The Bonds will be issued as coupon bonds in the denomination of \$5,000, or as fully registered bonds in the denomination of \$5,000 or any authorized multiple thereof. Coupon bonds and fully registered bonds will be interchangeable at the office of the Trustee without charge, except for the payment of any tax or governmental charge.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the Bonds but neither failure to print such numbers on any Bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the Corporation. The CUSIP Service Bureau charge for assignment of said numbers shall be paid by the purchaser.

No Litigation

There is no litigation pending concerning the validity of the Bonds, and the Corporation will furnish to the successful bidder a no-litigation certificate certifying to the foregoing at the time of the delivery of the Bonds.

Article XIII A of the California Constitution (Jarvis-Gann Constitutional Amendment)

Proposition 13, the Jarvis-Gann Constitutional Initiative was approved by California voters at the June 6, 1978 election (Article XIII A of the California Constitution). The text of the Amendment follows:

“Section 1.

(a) The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent (1%) tax is to be collected by the counties and apportioned according to law to the districts within the counties.

(b) The limitation provided for in subdivision (a) shall not apply to ad valorem taxes

or special assessments to pay the interest and redemption charges on any indebtedness approved by the voters prior to the time this section becomes effective.

Section 2.

(a) The full cash value means the County Assessors valuation of real property as shown on the 1975-76 tax bill under ‘full cash value’, or thereafter, the approved value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. All real property not already assessed up to the 1975-76 tax levels may be reassessed to reflect that valuation.

(b) The fair market value base may reflect from year to year the inflationary rate not to exceed two percent (2%) for any given year or reduction as shown in the consumer price index or comparable data for the area under taxing jurisdiction.

Section 3.

From and after the effective date of this article, any changes in State taxes enacted for the purpose of increasing revenues collected pursuant thereto whether by increased rates or changes in methods of computation must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the legislature, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property may be imposed.

Section 4.

Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County or special district.

Section 5.

This article shall take effect for the tax year beginning on July 1 following the passage of this Amendment, except Section 3 which shall become effective upon the passage of this article.

Section 6.

If any action, part, clause, or phrase hereof is for any reason held to be invalid or unconstitutional, the remaining sections shall not be affected but will remain in full force and effect.”

Chapter 292, 1978 Statutes (Senate Bill 154) and Chapter 332, 1978 Statutes (Senate Bill 2212)

Senate Bill 154 approved by the Governor on June 24, 1978, provides partial relief to local government from the temporary difficulties brought about by the approval of the Jarvis-Gann Constitutional Initiative approved by California voters at the June 6, 1978 election.

The bill (among other purposes) appropriates funds from the State General Fund:

A. to Section A of the State School Fund (said Fund provides for the funding of California school districts and the county superintendent of schools) in lieu of statutory prescribed appropriations for the 1978/79 fiscal year and presents a method for computing the state support for school districts and county superintendents of schools.

B. to various categorical aid programs operated by school districts and county superintendents of schools.

Chapter 332 of the 1978 Statutes (Senate Bill 2212), approved by the Governor on June 30, 1978 (among other purposes) makes various technical and other changes in school finance provisions to comply with Chapter 292, 1978 Statutes. Section 6 of Chapter 332 provides a state apportionment to the county superintendent of schools as a partial reimbursement for revenue lost due to the passage of the Jarvis-Gann Constitutional Amendment. This state apportionment to the Board is \$6,832,352 for fiscal year 1978/79. There is no guarantee that subsequent replacement of lost property tax revenue in any future fiscal year will be made by the Legislature.

The 1978/79 County School Service Fund Budget including the above described replacement revenues is presented in the tabulation on page 10. Also presented on page 10 is the 1978/79 Budget without the replacement revenue and without property tax funds lost due to the passage of the Jarvis-Gann Constitutional Amendment. (See "Security" section of this official statement, page 9 for a more complete discussion of the topic.)

Serrano Decision

The Supreme Court of California in December 1976 held that the California system of financing public elementary and secondary schools, based on ad valorem taxation is invalid under the California Constitution. The Court's decision permits the exist-

ing system of financing schools to continue to operate for a reasonable length of time (not beyond September 1980) so that a constitutional system can be placed into operation. To the extent that this decision and any future legislative or judicial action required to implement or enforce this decision may limit the ability or reduce the need for school districts (*which may include the Board*) to continue to levy property taxes for the support of education, the Board's ability to receive property tax revenues could be adversely affected.

Legal Opinion

The unqualified legal opinion of O'Melveny & Myers, Los Angeles, California, bond counsel to the Corporation, approving the validity of the Bonds, will be furnished to the purchasers without charge at the time of the original delivery of the Bonds. A copy of the legal opinion will be printed on each Bond. See the concluding paragraph of the "To Whom It May Concern" section of this Official Statement regarding the scope of bond counsel's employment concerning this Official Statement.

Tax Exemption

In the opinion of bond counsel interest on the Bonds is exempt from income taxes of the United States of America under present federal income tax laws and from State of California personal income taxes under present state income tax laws.

Legality for Deposit of Public Money

The Bonds are eligible as security for deposits of public moneys in California.

Eligibility for National Banks

A request has been made to the Comptroller of the Currency for a ruling that the Bonds of the Corporation are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. The ruling is expected prior to the date of sale of the Bonds.

Sale of Bonds in California

The Division of Corporation Finance of the United States Securities and Exchange Commission has issued a "no-action" letter to the Corporation stating that the Division of Corporation Finance will not recommend any action to the Securities and Exchange Commission if the proposed bond offering is made without prior compliance with the registration requirements of the Securities Act of 1933

or qualification of the Indenture under which the Bonds are to be issued under the Trust Indenture Act of 1939. The Commissioner of Corporations of the State of California has issued an interpretive opinion stating that the Bonds are exempt from the qualification requirement of Section 25110 of the California Corporate Securities Law of 1968. The Bonds are being offered and sold without registration under the Securities Act of 1933 or qualification of the Indenture under the Trust Indenture Act of 1939, and without qualification under the California Corporate Securities Law of 1968, in reliance upon such "no-action" letter and such interpretive opinion.

Sale of Bonds in States Other Than California

A Blue Sky memorandum covering selected jurisdictions has been prepared and is being distributed with this Official Statement.

The purchaser of the Bonds will assume responsibility for complying with the laws of all jurisdictions on resale of the Bonds, and shall indemnify and hold harmless the Corporation and its officers and directors from any loss or damage resulting from any failure to comply with any such law.

Purpose of Issue

The Bonds are being issued to finance the construction and remodeling of an administrative center for use and occupancy by the Riverside County Board of Education and the Office of the Riverside County Superintendent of Schools, Riverside County, California, as described in "The Project" section of this Official Statement.

Security

The Bonds, when issued, will be valid obligations of the Corporation secured under the Indenture by the mortgage, assignment, transfer in trust, transfer of security interest in, and pledge of the trust estate, including the following, to United California Bank as Trustee:

(1) The leasehold estate of the Corporation in real property under the Lease and Sublease;

(2) All buildings, structures, and improvements now located or hereafter to be erected in, on, over, under, or upon the Site;

(3) All property required to be subjected to lien by the Corporation pursuant to the Indenture; and

(4) All rents, issues, profits, revenues and other income or proceeds or receipts of the trust estate.

The rental obligations to be incurred by the Board represent an obligation of the Board payable from the County School Service Fund. Under provisions of the Lease and Sublease, the Board covenants to include all base rent and additional rent payments in its annual budget and to make the necessary annual appropriations for all such payments. Under provisions of the Lease and Sublease "Such Covenants shall be deemed and construed to impose ministerial duties by law and it shall be the duty of each and every public official of the Board to take such action and do such things as are required by law in the performance of such duty to enable the Board to carry out and perform said Covenants."

Moneys from the County School Service Fund will be used for payment of the base and additional rent. The Fund includes seven funds from which base and additional rental revenues will be derived: Regional Occupation Program, Special Education Master Plan, Special Projects, Regional Data Processing Center, Juvenile Hall, Other Purposes and General Purpose (the purposes and revenue sources of these various funds are discussed on pages 18, 19 and 21).

The Board will pay the base and additional rent from each of the seven separate funds in the County School Service Fund in proportion to the budgeted personnel in each program. If additional funds are added to the County School Service Fund or if any fund is removed from the County School Service Fund, the proportion of revenue from each fund will be recalculated to reflect such change. (The moneys in each of the seven funds may be used for any purpose within said fund including the payment of rent.)

The Riverside County Auditor-Controller estimates that the Board will receive 46% of the property tax revenues which it received in fiscal year 1977/78: \$7,891,583 in fiscal year 1977/78 versus \$3,630,128 in 1978/79 (Government Code Section 26912(c)(2)(B) as added by Senate Bill 154, Chapter 292, 1978 Statutes to implement the Jarvis-Gann Constitutional Amendment). The above revenues are based on an estimated Riverside County assessed valuation of \$2,520,000,000 (as supplied by the Riverside County Auditor-Controller) and a tax rate of \$4.00 per \$100 of assessed valuation "equal to 1% of full cash value" (Section 2235 of the Revenue and Taxation Code, as added by Senate Bill 154, Chapter 292, 1978 Statutes), a portion of

which (46%) is the entitlement of the County Board of Education. The estimated assessed valuation was calculated to reflect: the rollback to a 1975/76 assessed valuation base; reassessment after sale, transfer, or construction since 1975/76; and a two percent per year increase in assessed valuation since the 1975/76 base year (Section 110.1 of the Revenue and Taxation Code as added by Chapter 292, 1978 Statutes).

The 1978/79 County School Service Fund Budget includes state apportionment provided by the 1978 California State Legislature (Senate Bill 154, Chapter 292, Section 6, 1978 Statutes) to replace property tax funds lost due to the passage of the Jarvis-Gann Constitutional Amendment (Article XIII A of the California Constitution). These funds, estimated at \$6,832,352, "may be used for any purpose determined by the governing board" in fiscal year 1978/79 (Section 4). Neither the Board nor the

Corporation can predict the actions of the Legislature in subsequent years as related to any further state apportionments or as to any restrictions which might be imposed on the use of such apportionments. Nor can the Corporation or the Board predict if surplus funds will be available for such use. The 1978/79 County School Service Fund Budget with these replacement property tax revenues is shown in the tabulation below. The 1978/79 County School Service Fund Budget without the replacement revenues as supplied by Senate Bill 154, Chapter 292, 1978 Statutes and without property tax funds lost due to the passage of the Jarvis-Gann Constitutional Amendment is also shown in the tabulation below.

The following tabulation presents the estimated revenues from the County School Service Fund which will be used to pay base and additional rental obligations which will commence on April 15, 1981 out of fiscal year 1980/81 revenues.

ESTIMATED SOURCE OF REVENUE FOR THE SERVICE CENTER BASE AND ADDITIONAL RENT COUNTY SCHOOL SERVICE FUND^①

Program Description	Percent Contribution ^②	Dollar Contribution ^③	1978/79 County School Service Fund Budget ^④ (Unadopted)	1978/79 Budget Less Replacement Revenue ^⑤
Regional Occupational Program	18%	\$124,300	\$ 2,999,431	\$ 1,771,828
Special Education Master Plan	43	296,900	18,513,637	16,870,960
Special Projects	10	69,000	7,142,216	6,161,033
Regional Data Processing Center	6	41,400	1,304,157	1,139,370
Juvenile Hall	5	34,500	632,472	591,682
Other Purpose	5	34,500	768,705	506,774
General Purpose	13	90,000	4,156,797	1,643,416
Total	100%	\$690,600	\$35,517,415	\$28,685,063

① See the Proposed 1978/79 Income and Expenditures, p. 30 of this Official Statement.

② Fund percentage contribution to base and additional rent as determined by the number of personnel budgeted in each program.

③ Fund dollar contribution to base and additional rent.

④ The 1978/79 County School Service Fund Budget includes state apportionments provided by the 1978 California State Legislature (Senate Bill 154, Chapter 292, Section 6, 1978 Statutes) to replace property tax funds lost due to the passage of the Jarvis-Gann Constitutional Amendment (Article XIII A of the California Constitution).

⑤ The 1978/79 County School Service Fund Budget if the Legislature had not passed Senate Bill 154 to replace the lost property tax revenue due to the passage of the Jarvis-Gann Constitutional Amendment (Article XIII A of the California Constitution). Any subsequent replacement of lost property tax revenue, if any, will be determined by future legislative action.

Source: Riverside County Superintendent of Schools.

The sources of revenue for the 1978/79 above described fund budgets follow. These revenues include \$2,430,914 in local property taxes.

SOURCES OF REVENUE FOR THE COUNTY SCHOOL SERVICE FUNDS^①

	Regional Occupational Program	Special Education Master Plan	Data Processing	Juvenile Hall	Other Purpose	General Purpose
Beginning Balance	\$ 220,991	\$ 1,800,000	\$ 165,000	\$ 85,684	\$ —	\$1,200,000
Federal Income	\$ —	\$ —	\$ —	\$ —	\$ 6,834	\$ 12,500
State Income						
Direct Service Apportionment	—	—	—	—	\$ 75,339	—
Other Purpose Apportionment	—	—	—	—	519,792	—
Special Education Master Plan	—	\$11,128,316	—	—	—	—
Instructional Materials Fund	—	—	—	—	325	—
State Grant	\$ 346,464	1,658,701	\$ 314,229	\$459,376	29,260	\$1,959,025
Total State Income	\$ 346,464	\$12,787,017	\$ 314,229	\$459,376	\$624,716	\$1,959,025
Local Income						
Local Taxes	\$ 162,905	\$ 1,238,349	\$ 280,901	\$ 87,412	\$ 26,155	\$ 635,192
Interest	—	—	—	—	—	200,000
Contractual Services	—	—	544,027	—	111,000	—
Other Local Income	—	—	—	—	—	150,080
Total Local Income	\$ 162,905	\$ 1,238,349	\$ 824,928	\$ 87,412	\$137,155	\$ 985,272
Other Tuition	\$2,269,071	\$ 2,688,271	\$ —	—	—	—
Total Income	\$2,778,440	\$16,713,637	\$1,139,157	\$546,788	\$768,705	\$2,956,797
Total Income (Including Beginning Balance) ..	\$2,999,431	\$18,513,637	\$1,304,157	\$632,472	\$768,705	\$4,156,797

① Special Projects are funded through federal moneys which become available to the Board at various times throughout the year. This income in fiscal year 1977/78 was \$7,322,808 (unaudited). The Board anticipates 1978/79 revenues will approximate 1977/78 revenues.

Source: Riverside County Superintendent of Schools.

The total 1978/79 proposed income and expenditure as presented in the Board's proposed budget which must be adopted no later than the first week of September is presented on page 30. This proposed budget includes: a contingency of \$2,626,634, \$700,000 in the General Purpose Fund for the acquisition of furniture and equipment (\$650,000 for the Project described in this Official Statement) and \$992,767 for the purchase of relocatable buildings for the new Special Education Master Plan Program.

Title Insurance

A policy of title insurance, in the principal amount of the Bonds, with a lender's leasehold endorsement insuring the validity of the Lease and Sublease will be obtained at or prior to the delivery of the Bonds.

The Indenture

The following summary of major provisions of the Indenture under which the Bonds are secured is presented below. The summary does not provide

a complete and detailed description of provisions of the Indenture and prospective purchasers of the Bonds are referred to the Indenture contained in the Basic Legal Documents accompanying this Official Statement.

The Trustee. United California Bank, Los Angeles, California is the Trustee pursuant to the Indenture. The Trustee will receive all of the bond proceeds and revenues of the Corporation for disbursement in conformity with the Indenture. In addition to administering the various funds of the Corporation, the Trustee will invest all funds held in trust, act as paying agent for the Corporation's Bonds, and act as bond registrar.

Creation of Special Funds. The Indenture provides for the establishment of special trust funds, all to be held and administered by the Trustee. These funds, together with their sources and uses, are summarized in the tabulation on page 12. Moneys held in the various funds may be invested by the Trustee under the provisions of Sections 501 and 704 of the Indenture.

Disposition of Bond Proceeds. The Indenture provides that the proceeds from the sale of the Bonds shall be deposited with the Trustee. The Trustee will then make the following deposits:

(1) To the Interest During Construction Fund an amount equal to the first twenty-seven months of interest on the Bonds (August 1, 1978, through and including November 1, 1980).

(2) To the Reserve Fund, an amount equal to one-half the maximum annual debt service on the Bonds.

(3) To the Administrative Expense Account, \$10,000, which is to be maintained as working capital to pay Corporation administrative expenses, Trustee's fees, insurance premiums, any taxes or assessments or other necessary administrative costs.

(4) To the Construction Fund, the balance which shall be applied to payment of costs of the Project.

Payment of Project costs will be made by the Trustee in accordance with provisions of the Indenture requiring appropriately executed requisitions to be filed with the Trustee.

When the Project has been completed, a certificate of the Corporation stating the fact and date of such completion, shall be delivered to the Trustee by the Corporation. Upon the receipt of this certification, the Trustee shall transfer any remaining balance in the Construction Fund and the Interest During Construction Fund to the Debt Service Fund which shall be credited against the base rent and an amount to be retained in the Construction Fund for changes, alterations and additions to the Project. Any remaining balance shall be transferred to the Rental Revenue Fund.

TRUST ACCOUNTS

Fund or Account	Source(s)	Use
Interest During Construction Fund (Section 501)	Bond Proceeds	First twenty-seven months' interest on Bonds
Reserve Fund (Sections 601 and 606)	Bond Proceeds and, if depleted, Rental Revenue Fund	Bond principal and interest; payment of final maturities
Construction Fund (Section 501)	Bond Proceeds	Project costs
Rental Revenue Fund (Sections 601 and 602)	Rent Payments	Required transfers to various funds and/or other specified purposes
Debt Service Fund (Sections 601 and 603)	Transfers from Rental Revenue Fund and Bond Redemption Fund	Bond principal and interest
Administrative Expense Account . . (Sections 601, 602 and 605)	Bond Proceeds and Transfers from Rental Revenue Fund	Corporation operating expenses
Bond Redemption Fund (Sections 601 and 604)	Transfers from Rental Revenue Fund	Call and redemption of bonds, changes, alterations or additions to the project, or reimbursement of any base rent or additional rent previously paid by the Board

Rental Revenue Fund All rental revenue shall be paid to the Trustee and deposited by the Trustee to the credit of the Rental Revenue Fund. Moneys in the Rental Revenue Fund shall be disbursed, applied, or set aside by the Trustee in the following order of priority:

(1) *Debt Service Fund.* On April 15, 1981, and each April 15 thereafter, the Trustee shall apportion and set apart out of the Rental Revenue Fund and deposit in the Debt Service Fund an amount which, together with any balance then on hand in said fund will be equal to one-half

of the principal coming due in the next succeeding twelve months and the interest due on the Bonds on the next interest payment date. On October 15, 1981, and each October 15 thereafter, the Trustee shall apportion and set apart out of the Rental Revenue Fund and deposit in the Debt Service Fund an amount which, together with the balance then on hand in said fund is sufficient to pay the entire principal coming due on the Bonds on the next succeeding principal payment date and the interest due on the Bonds on said payment date.

(2) *Administrative Expense Account.* On April 15 and October 15 of each year, commencing on April 15, 1981, the Trustee shall apportion and set aside in the Administrative Expense Account such amount as the Corporation shall certify to the Trustee as necessary for the payment of administrative expenses of the Corporation during the ensuing six-month period.

(3) *Reserve Fund.* A Reserve Fund equal to one-half maximum annual debt service will be created from the proceeds of the Bonds and held by the Trustee. Moneys in this Fund shall be used to pay bond principal and interest in the event no other funds are available. With the commencement of rent payments, the Trustee shall set aside in the Reserve Fund such amount, if any, as is necessary to restore the Reserve Fund to an amount equal to one-half maximum annual debt service.

Any moneys in the Reserve Fund in excess of one-half maximum annual debt service shall be transferred to the Rental Revenue Fund. In the event all of the then outstanding Bonds are called for redemption prior to maturity, moneys in the Reserve Fund may be deposited in the Bond Redemption Fund.

(4) *Bond Redemption Fund.* With the commencement of rent payments, the Trustee shall apportion and set apart out of the Rental Revenue Fund the remaining balance, if any, after making the deposits and allocations required by (1), (2), and (3) above. Any moneys in the Bond Redemption Fund shall be transferred and deposited in the Debt Service Fund, Reserve Fund, and/or Administrative Expense Account in an amount sufficient to make up any deficiency.

Moneys in the Bond Redemption Fund not needed to make up any deficiency in the Debt Service Fund, Reserve Fund, and/or Administra-

tive Expense Account may be considered surplus and applied by the Trustee, at the direction of the Corporation, for the purchase or redemption of Bonds; for changes, alterations, and additions to the Project; reimbursement for any rent or additional rent previously paid by the Board to the Corporation pursuant to the terms of the Sublease; or transferred to the Debt Service Fund, crediting the Board for an equal amount of rent coming due pursuant to the Sublease.

Investment of Funds. All moneys held by the Trustee in any of the funds established pursuant to the Indenture, which are not at the time invested, shall be held in demand or time deposits, and shall be secured at all times by obligations which are eligible by law to secure deposits of public moneys and having a market value at least equal to the amount required by law.

Moneys in such funds may be invested in authorized investments (as defined in the Indenture) including Federal securities or certificates of deposit of banks, maturing prior to the dates required for withdrawal of funds.

All interest earned on any such investment shall become part of the fund on which earned, except that such interest earnings received or accrued during construction of the project shall be transferred to the Construction Fund.

Additional Series of Bonds. Additional bonds may be issued on a parity with these bonds, subject to the following conditions and other conditions, as specified in Sections 301 and 302 of the Indenture:

1. The additional bonds must be authorized and used to finance the completion of or the construction of additions or extensions to the Project.

2. The Corporation shall be in compliance with all covenants and provisions of the Indenture.

3. The supplemental indenture shall require that the sale of such additional bonds shall be applied solely for the completion of or an extension to the Project including costs and expenses associated with the financing of construction of the Project.

4. Additional Bonds shall be equally and ratably secured with all other Bonds, without preference or priority of any Bond over any other Bond.

5. The additional bonds must be payable on November 1 with interest payable on May 1 and November 1, of each year and must be subject to

redemption from proceeds of insurance and eminent domain proceedings. Except in the event of loss or condemnation of the Project, the additional bonds may not be subject to redemption prior to November 1, 1988.

6. A revised Lease and Sublease must have been entered into whereby the Board obligates itself to increase the base rent and additional rent by an amount sufficient to provide for the payment of additional principal and interest when due.

7. The Reserve Fund must be increased from its then-present level by an amount equal to at least one-half maximum annual debt service on all outstanding Bonds, including the additional bonds.

8. Prior to the issuance of additional bonds, the Corporation must file the supplemental Indenture and other documents specified in Section 302 of the Indenture with the Trustee.

Insurance Provisions. In the Indenture the Corporation covenants that it will maintain or cause to be maintained the following insurance protection:

1. Against loss or damage to the property resulting from fire, lightning, and other perils ordinarily defined as “extended coverage” in amounts, if available, from reputable insurers for not less than full insurable value of all structures constituting any part of the Project, or the amount of the Corporation’s outstanding bonds, whichever is less. A deductible not in excess of \$100,000 per occurrence is also provided.

2. Against loss or damage from leakage of sprinkler systems.

3. Against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus.

4. Against earthquake, either by a policy in an amount not less than the full insurable value of the properties, or in an amount of the Corporation’s outstanding bonds, whichever is less; subject to a deductible amount of not more than 10% of the full insurable value for any one loss which is less than the face amount of the policy.

5. Use and occupancy or rental income insurance against fire, lightning, and other such perils ordinarily defined as “extended coverage” (including earthquake), while any bonds are outstanding, in an amount of not less than 24 months of base rental and estimated additional rental.

6. Public liability insurance to afford protection to a limit of not less than \$3,000,000 com-

bined single limit bodily injury and property damage.

7. Worker’s compensation for all persons employed in connection with the Project.

Other Covenants

The Indenture contains other covenants, including but not limited to the following, to which the Corporation agrees:

1. To punctually pay principal, interest and the redemption premium, if any, on said Bonds and their coupons as they become due.

2. Not to create any mortgage, pledge, lien or charge upon the Project or the revenues except as specifically permitted by the Indenture.

3. To construct and complete the Project in conformity with the construction contract.

4. To keep proper books of record and account and to file with the Trustee annually, within five months after the end of each fiscal year, certified audits performed by an independent auditor showing receipts, disbursements, allocation and application of revenues for such fiscal year.

5. To maintain or cause the Project to be maintained.

6. To pay lawful claims and any taxes, assessments, or other governmental charges upon the Project or the revenues.

7. To preserve and protect the security of the bonds and the rights of the bondholders, and warrant and defend their rights against all claims and demands of all persons.

8. Not to invest or cause to be invested moneys credited to the various funds established under the Indenture in a manner which would result in the bonds becoming taxable arbitrage bonds within the meaning of Section 103(d) of the Internal Revenue Code, as amended.

9. To maintain its corporate existence and keep, observe and perform all valid and lawful obligations now or subsequently imposed by law.

Estimated Annual Bond Service

Table 2 illustrates annual bond service based on an interest rate of 8% per annum. Board maximum annual base rent payments would be \$645,600 based on maximum annual debt service. The actual base rent will be determined after bond bids are received.

Table 2

RIVERSIDE COUNTY BOARD OF EDUCATION SERVICE CENTER BUILDING CORPORATION
\$6,320,000 Principal Amount of Leasehold Mortgage Bonds
Estimated Maximum Annual Bond Service

Year Ending Novem- ber 1	Principal Outstanding November 1	Principal Maturing November 1	Interest Estimated at 8%	Estimated Total Bond Service
1978	\$6,320,000	\$ —	\$ 126,400①	\$ 126,400
1979	6,320,000	—	505,600①	505,600
1980	6,320,000	—	505,600①	505,600
1981	6,320,000	140,000	505,600	645,600
1982	6,180,000	150,000	494,400	644,400
1983	6,030,000	160,000	482,400	642,400
1984	5,870,000	175,000	469,600	644,600
1985	5,695,000	190,000	455,600	645,600
1986	5,505,000	205,000	440,400	645,400
1987	5,300,000	220,000	424,000	644,000
1988	5,080,000	235,000	406,400	641,400
1989	4,845,000	255,000	387,600	642,600
1990	4,590,000	275,000	367,200	642,200
1991	4,315,000	300,000	345,200	645,200
1992	4,015,000	320,000	321,200	641,200
1993	3,695,000	345,000	295,600	640,600
1994	3,350,000	375,000	268,000	643,000
1995	2,975,000	405,000	238,000	643,000
1996	2,570,000	440,000②	205,600	645,600
1997	2,130,000	475,000②	170,400	645,400
1998	1,655,000	510,000②	132,400	642,400
1999	1,145,000	550,000②	91,600	641,600
2000	595,000	595,000②	47,600	642,600
Total		\$6,320,000	\$7,686,400	\$14,006,400

① Interest funded into Bond Issue through November 1, 1980 (\$1,137,600). Bonds are dated August 1, 1978.

② Callable from any source of funds on or after November 1, 1988.

Source: Stone & Youngberg Municipal Financing Consultants, Inc.

THE PROJECT

Project Description

The Riverside County Board of Education purchased and now owns the former site of the Riverside Unified School District Administration Center. The acquisition price was \$1,600,000 and includes three office structures (one of which will be demolished) located on one city block in the downtown area of Riverside, California.

The Office of the Riverside County Superintendent of Schools has also purchased for cash two parcels of land proximate to the new Project for a total cost of \$150,000. This land will be improved for use as parking for the staff of the Office. The Office with the acquisition of this land will provide 112 additional parking spaces.

Bond proceeds will allow the Corporation to implement extensive interior modifications to two existing buildings as well as the addition of a four story structure to one of the existing buildings. When completed, the Project will provide office and staff support space for the operations of the Office of the Riverside County Superintendent of Schools. The construction will enable the Office of the County Superintendent to consolidate its operations in a central location and adequately house both current and projected staff as well as the respective functions of the organization.

Organization for Project Implementation

To facilitate the timely implementation of the building of the Riverside County Board of Education Service Center, the Riverside County Board of Education adopted an organization plan for the ultimate completion of the Project.

Dr. Brooks P. Coleman, Associate Superintendent, has been designated to provide the leadership for the Project and is responsible to Dr. Don F. Kenny, Riverside County Superintendent of Schools, and the Riverside County Board of Education. Dr. Coleman holds a Doctoral Degree from the University of Southern California School of Education and has had

20 years of professional public school experience. Dr. Kenny holds a Doctoral Degree from Stanford University School of Education and has had 24 years of professional public school experience.

As project leader for the Corporation's financing of construction, Dr. Coleman is responsible for the overall direction and coordination of the project implementation activities with the Division of Administration and Business Services, Division of Special Schools and Services, the Division of Educational Services; Office of the County Counsel; and coordination with the Riverside County Board of Education Service Center Building Corporation.

Staff personnel who provide assistance include: Dr. Robert D. Wilson, Coordinator, Planning and Development; Dr. Morris L. Reeves, Assistant Superintendent, Division of Administration and Business Services; Dr. Louis S. Barber, Assistant Superintendent, Division of Special Schools and Services; Mr. Harold Creager, Assistant Superintendent, Division of Educational Services, Mr. Russell Allison, Coordinator, Internal Business Services; and Mrs. Carolyn Clark, Director of Business Services.

Furniture and Equipment

The County Board of Education has provided \$650,000 in the 1978/79 County School Service Fund Budget for the purpose of acquiring furniture and equipment for the new Education Service Building.

Bonds of 1978

On May 3, 1978, the Corporation received sealed competitive bids for construction of the Project. The low base bid of \$3,976,884 was submitted by Buster & Schuler Construction, Inc. of Redlands, California.

Upon delivery of the 1978 Bonds, the Corporation will enter into a construction contract with Buster & Schuler Construction, Inc. for construction of the Project. The Office of State Architect has

approved the plans and specifications for the Project and has certified conformance to fire, safety, and earthquake structural safety standards. Completion of the Project is expected by June of 1980.

A labor and materials bond of 100% of the contract amount and a performance bond of 100% of the contract amount is required of the contractor. The contractor is also required by the construction contract to carry public liability, property damage, builder's risk, fire insurance and workers' compensation insurance during the construction period and until the facilities have been accepted by the Board and the Corporation.

The Corporation will maintain boiler insurance and rental interruption insurance during the construction period. The Corporation will also provide earthquake insurance during the construction period, against loss or damage by earthquake in an amount not less than the full insurable value of the properties, subject to a 10% deductible for any loss.

The following table shows the remaining costs of the Project and bond issue requirements.

**RIVERSIDE COUNTY BOARD OF EDUCATION
SERVICE CENTER BUILDING CORPORATION**

**Estimated Project Costs and
1978 Bond Issue Requirements**

Construction	\$3,976,884.00
Construction Contingency	590,980.00
Architect's Fee	315,736.00
Costs of Bond Issuance	166,000.00
Subtotal	<u>\$5,049,600.00</u>
Add: Funded interest at 8% for 27 months	1,137,600.00
Reserve Fund (one half maximum annual bond service) ..	322,800.00
Total Project Cost	<u>\$6,510,000.00</u>
Less: Investment income from bond proceeds during construction at 5%	190,000.00
Bond Issue	<u><u>\$6,320,000.00</u></u>

County Board of Education and Office of County Superintendent of Schools: Organization and Financial Data

Organization

The information contained herein concerning the Riverside County Board of Education is included because the Board is the proposed lessee of the Project. However, the 1978 Issue of Bonds are Bonds of the Corporation and are not a debt or obligation of the Board.

The County Board of Education is an independent board of seven members who are elected by trustee area for four-year staggered terms. The superintendent, who is elected at large for a four-year term, administers the Board's affairs in accordance with policies of the County Board of Education. The members of the Board and the superintendent are constitutional officers. The present superintendent, Dr. Don F. Kenny, has served the Board in this capacity since 1970 and has been with the organization since 1968. Dr. Kenny has had more than 24 years of professional experience in public education and administration.

Dr. Kenny is directly assisted by Dr. Brooks P. Coleman, Associate Superintendent. See "The Project" section of this Official Statement for a listing of various other administrative personnel.

Function

The Riverside County Board of Education and the Office of the County Superintendent of Schools provide educational services to school districts, school personnel and other educational and private agencies. In addition, the organization operates programs in the areas of mentally and physically handicapped, Headstart, pre-school, incarcerated children and Regional Occupational Program. The Board has operated as a County Board of Education under the laws of the State of California continuously since 1893. The Board became fiscally independent of the

Riverside County Board of Supervisors on November 18, 1975. The County Board of Education determines the budget needs including an appropriation for contingency and after a budget hearing files the Budget with the County Board of Supervisors which levies a tax rate of \$4.00 per \$100 of assessed valuation a portion of which is the entitlement of the County Board of Education as provided by certain statutory limitations including Section 26912 of the Government Code and 2235(b) of the Revenue and Taxation Code (Chapter 292, Section 6, 1978 Statutes). The Board of Supervisors cannot reject or alter the Budget. The levy of the tax is purely ministerial.

The Riverside County Superintendent of Schools administers the following programs to twenty-eight elementary, high school, unified and community college districts within Riverside County (7,249 square miles), the fourth largest county by area in California. The funding of these programs is discussed on page 21.

Children's Institutions—This program provides for the reimbursement to school districts for the education of nonimmigrant or noncitizen children and children residing in children's institutions or licensed family homes.

Contract Services-Data Processing—The Data Processing Program provides both mandated and contractual data processing services to school districts. Mandated services such as payroll and commercial warrants are provided to all school districts in Riverside County. Pupil Personnel and Financial Reporting services are provided to school districts in Riverside, Imperial, and San Bernardino Counties on a contractual basis.

County School Building Aid—This program provides for the repayment to the state of those funds allocated for school buildings constructed under provisions of the State School Building Aid Program.

Development Centers for Handicapped Minors—This is a training program for pupils who are three to twenty-one years of age and who have multiple handicaps. The centers help establish greater independency and self-help skills among the students, as well as providing the parent respite from the continual care which the handicapped students demand. Effective 7/1/78 this program was incorporated into the new Special Education Master Plan Program discussed in the following section of this Official Statement.

Direct Service—This program provides a staff to assist teachers in implementing a more effective teaching environment. The program consists of supervising instruction, developing and improving curricula and curriculum materials, guiding teachers in the use of instructional materials, and providing inservice training.

Educable Mentally Retarded Programs — These programs provide for the education of pupils between the ages of six and eighteen who display retarded intellectual development and who will profit from an educational program. Effective 7/1/78 this program was incorporated into the new Special Education Master Plan Program discussed in the following section of this Official Statement.

Educationally Handicapped Programs—These programs provide elementary and secondary education for pupils who have severe learning and/or behavior problems. Effective 7/1/78 this program was incorporated into the new Special Education Master Plan Program discussed in the following section of this Official Statement.

Federal Projects—The federal government provides 100% funding for programs such as Head Start, Neighborhood Youth Corps, poverty programs, Migrant Education, and day care centers.

General Purpose—This program provides the overall general administrative responsibilities for the Office of the County Superintendent of Schools. County administration consists of the activities performed by the County Board of Education, the Superintendent, and his staff in the general direction and management of the affairs of the Office.

Juvenile Hall Programs—These programs provide elementary and secondary education for students housed in juvenile hall or other probation facilities.

Other Purpose—This program provides teaching assistance in developing better instructional formats. The program consists of supervising instruction, developing and improving curricula and curriculum materials, guiding teachers in the use of instructional materials, and providing inservice training.

Physically Handicapped Programs—These programs provide for the education of those pupils who by reason of physical impairment cannot receive the full benefit of regular education facilities. Effective 7/1/78 this program was incorporated into the new Special Education Master Plan Program discussed in the following section of this Official Statement.

Regional Occupational Programs—This program provides instructional activities designed to train stu-

dents in occupational education for the job entry skill level.

Trainable Mentally Retarded Programs—These programs provide for the education of pupils between the ages of three and twenty-one who display retarded intellectual development and who will profit from a training program. Effective 7/1/78 this program was incorporated into the new Special Education Master Plan Program discussed in the following section of this Official Statement.

Special Education Master Plan Implementation

The Office of the Riverside County Superintendent of Schools was designated by the California State Department of Education as a special education master plan implementor effective July 1, 1978. This program replaces and enhances the program previously categorized and identified as:

- (1) Development Center for Handicapped Minors.
- (2) Educable Mentally Retarded.
- (3) Educationally Handicapped.
- (4) Physically Handicapped.
- (5) Trainable Mentally Retarded.

In accordance with California Assembly Bill 1250 (1977 Statutes) which implements public federal law 94-142—the Education for All Handicapped Children Act of 1975, these programs are “folded” into a comprehensive special education master plan. The Office of the Riverside County Superintendent of Schools’ budget will receive annually approximately \$10,000,000 of increased state funding for this new program.

Assessed Valuations

The Riverside County Assessor assesses property for Board tax purposes. Board taxes are collected and deposited in the County treasury by the County Tax Collector/Treasurer at the same time and on the same tax rolls as are city, county, school district and special district taxes. Taxes on the secured roll are payable in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. Unsecured roll property taxes are payable March 1, and become delinquent the following August 31.

The State Board of Equalization reports the 1977/78 Riverside County valuations averaged 24.1% of full market value, except for public utility

property, which is assessed by the State at 25% of full value.

Under California law, two types of exemptions of property from ad valorem taxes became effective in the 1969/70 fiscal year. One exempts 50% of the value of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. Under a constitutional amendment, the California Legislature can raise the exemption. Revenue estimated to be lost to each taxing entity as a result of such exemptions is fully reimbursed to the taxing entity from state funds. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions, without allowance for tax collection delinquencies.

In 1977/78, Board homeowners' and business

inventory exemptions totaled \$249,044,891. Table 3 shows a five-year history of the Board's assessed valuations by the tax roll prior to deductions for the two previously-discussed, special exemptions. Table 4 presents the Board's 1977/78 assessed valuation by tax roll before and after the exemptions.

The 1978/79 assessed valuation will reflect the passage of the Jarvis-Gann Constitutional Amendment. The Amendment establishes the 1975/76 assessed valuation as the base for property tax purposes. The yearly increase from the base year is limited to growth in the Consumer Price Index, but not to exceed 2 percent annually. Reassessments are required after sale, transfer or construction. The Auditor-Controller estimates the 1978/79 assessed valuation as \$2,520,000,000, which includes \$2,300,000,000 on the secured roll and \$220,000,000 on the unsecured roll.

Table 3

RIVERSIDE COUNTY

Assessed Valuation: 1973/74-1977/78^①

Tax Roll	1973/74	1974/75	1975/76	1976/77	1977/78
Secured	\$1,322,127,420	\$1,454,563,265	\$1,568,892,595	\$1,714,340,000	\$2,038,939,210
Unsecured	147,291,809	158,326,242	177,943,992	193,424,325	212,520,411
Utility	102,989,270	111,590,050	118,157,280	129,904,660	151,664,350
Total	\$1,572,408,499	\$1,724,479,557	\$1,864,993,867	\$2,037,668,985	\$2,403,123,971

^① Reduced by Redevelopment Agency Increment (1977/78 Increment is \$19,941,308).

Source: Riverside County Auditor-Controller.

Table 4

RIVERSIDE COUNTY

1977/78 Assessed Valuation Showing Homeowner and Business Inventory Exemptions^①

Tax Roll	Taxable Assessed Valuation	Homeowner Exemptions	Business Inventory Exemptions	Assessed Valuation for Revenue Purposes
Secured	\$1,840,083,399	\$189,225,232	\$22,111,125	\$2,051,419,756
Unsecured	179,752,609	1,699,897	36,002,487	217,454,993
Utility	154,184,380	—0—	6,150	154,190,530
Total	\$2,174,020,388	\$190,925,129	\$58,119,762	\$2,423,065,279

^① Includes \$19,941,308 Redevelopment Agency Increment.

Source: Riverside County Auditor-Controller.

Taxing Authority

The County Board of Education has 10 funds, some or a portion of which are funded by an ad valorem tax. (See "Article XIII A of the California Constitution (Jarvis-Gann Constitutional Amendment)" section of this Official Statement page 7).

The County Board of Education determines the budget needs including an appropriation for contingency and after a budget hearing files the Budget with the County Board of Supervisors. The County Board of Supervisors, as provided by certain statutory limitations including section 26912 of the Gov-

ernment Code and 2235(b) of the Revenue and Taxation Code (Chapter 292, Section 6, 1978 Statutes as added by the California Legislature to implement the Jarvis-Gann Constitutional Amendment), levies a tax rate of \$4.00 per \$100 of assessed valuation a portion of which (see the "Security" section of this Official Statement page 9) is the entitlement of the County Board of Education. The Board of Supervisors cannot reject or alter the Budget. The levy of the tax is purely ministerial.

The various funds and their revenue sources follow. The description of each fund may be found on pages 18 and 19 of this Official Statement.

Fund	Revenue Sources
Children's Institutions	County-wide tax levy by Board of Supervisors
Contract Services	Contracts with school districts and county-wide tax levy by Board of Supervisors
County School Building Aid	County-wide tax levy by the Board of Supervisors
Development Centers for Handicapped Minors* .	State apportionment and county-wide tax levy by the Board of Supervisors
Direct Service	State apportionment
Educable Mentally Retarded Programs*	State apportionment and tax levy by the Board of Supervisors
Educationally Handicapped Program*	State apportionment
Federal Projects	Federal government
General Purpose	County-wide tax levy by the Board of Supervisors
Juvenile Hall Programs	State apportionment and county-wide tax levy by the Board of Supervisors
Other Purpose	State apportionment and county-wide tax levy by the Board of Supervisors
Physically Handicapped Programs*	State apportionment and tax levy by the Board of Supervisors
Regional Occupational Programs	State apportionments to school districts, local school district taxes and county-wide tax levy by the Board of Supervisors
Trainable Mentally Retarded Programs*	State apportionment and tax levy by the Board of Supervisors

*Effective July 1, 1978 this program was added into a Comprehensive Special Master Plan. See "Special Education Master Plan Implementation" section of this Official Statement, page 19.

Tax Rates

Table 5 on page 22 shows the Riverside County Board of Education tax rates for the past five-year period. The Board's total tax rate during this period has ranged from a high of \$0.336 (1977/78) to a low of \$0.203 (1976/77).

There are 1,124 tax code areas in the County. The 1977/78 tax rates within these code areas

ranged from a high of \$26.754 to a low of \$7.804. Tax Code Area 9002 (1977/78 assessed valuation of \$235,199,621) represents 9.7% of the County's 1977/78 assessed valuation as adjusted for the redevelopment agency increment. Total tax rates per \$100 assessed valuation in this Tax Code Area for the past five years are shown in Table 6 on page 22.

Table 5**RIVERSIDE COUNTY BOARD OF EDUCATION****Secured Property Tax Rates**

Fund	1973/74	1974/75	1975/76	1976/77	1977/78
Physically Handicapped	\$.046	\$.072	\$.073	\$.034	\$.093
Educable Mentally Retarded	—	.010	.008	—	.015
Trainable Mentally Retarded .....	.018	.039	.049	—	.043
Development Center for Handicapped Minors* ....	.013	.008	.018	.002	.023
Regional Occupational Program* .....	.040	.035	.028	.008	.016
Juvenile Hall* .....	.006	.008	.003	.006	.009
General Purpose* .....	.080	.092	.090	.100	.085
Capital Outlay A .....	.016	.009	.014	—	.015
Capital Outlay B* .....	.015	.016	.018	.050	.035
School Facilities* .....	.002	.004	.003	.003	.002
Total①	\$0.236	\$0.293	\$0.304	\$0.203	\$0.336

① These totals are for illustrative purposes only. The six funds identified by an asterisk are levied County-wide. All others are levied on an area less than the entire County. Effective July 1, 1978 tax receipts are received on a pro rata basis in accordance with Section 26912 of the Government Code as added by Senate Bill 154, Chapter 292 of the Statutes of 1978.

Source: Office of County Superintendent.

Table 6**TAX CODE AREA 9002 CITY OF RIVERSIDE****Secured Property Tax Rates①**

Entity or Purpose	1973/74	1974/75	1975/76	1976/77	1977/78
County	\$ 2.673	\$ 2.635	\$ 2.633	\$ 2.923	\$ 2.544
City of Riverside	1.130	1.130	1.130	1.130	1.010
Riverside Unified School	4.129	4.000	4.819	4.765	4.632
Riverside Unified School (Bonds) .....	.705	.607	.628	.682	.501
Riverside Community College .....	.554	.576	.622	.557	.565
Riverside Community College (Bonds) .....	.082	.074	.070	.058	.040
School Other② .....	.288	.188	.248	.322	.339
Flood Control Adm. ....	.025	.025	.025	.023	.022
Flood Control Zone 1 .....	.338	.265	.312	.211	.328
Flood Control Zone 1 (Bonds) .....	.187	.260	.213	.314	.184
Metro Water West .....	.200	.190	.180	.160	.160
Western Municipal Water .....	.100	.100	.100	.100	.100
TOTAL	\$10.411	\$10.050	\$10.980	\$11.245	\$10.425
Riverside Corona Resource Conservation District③ .	.020	.020	.026	.014	.022

① Effective July 1, 1978 tax receipts are received on a pro rata basis in accordance with Section 26912 of the Government Code as added by Senate Bill 154, Chapter 292 of the Statutes of 1978.

② Includes Equalization, County Supt.-Gen., Institutional Children, Juvenile Hall Program, Regional Occupation, County Supt. School Outlay B, County Sch. Bldg. Aid & County School Development.

③ Tax rate on land value only.

Source: County Auditor-Controller.

Tax Levies, Collections, and Delinquencies

Board secured taxes appear on the same tax bill as county and city taxes, are payable in equal installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. Taxes on properties appearing on the unsecured roll are assessed on March 1 and become delinquent the following August 31. Table 7 below summarizes the general purpose secured tax levies and the amount and percentage of the levy delinquent as of June 30 for the past six fiscal years in the Board's tax code areas. The Table also provides the total collections in each of the last six fiscal years. During this period the rate of current year tax delinquency average 3.86% (three-year average 3.70%).

Large Taxpayers

Some of the largest 1976/77 taxpayers within the County are listed below, as reported by the Riverside

County Treasurer-Tax Collector. The 1977/78 information is not yet available.

Income and Expenditures

Tables 8 through 11 (pages 24 through 27) present a four-year summary of income and expenditures of the Riverside County Board of Education as reported in the Annual Budget Report of the Board. Also included in these tables are the annual expenditure budgets and the variation of these budgets to budget appropriations as of June 30 of the respective years. Table 12 (page 28) presents the Board's adopted 1977/78 Budget. The 1977/78 actual income and expenditure is not yet available. (See "Special Education Master Plan Implementation" section of this Official Statement page 19 for a discussion of new revenues available to the Board as of July 1, 1978.)

Table 7 RIVERSIDE COUNTY
Secured Tax Levies, Collections, and Delinquencies

Fiscal Year	Secured Tax Levy	Amount Collected (June 30)	Amount Delinquent (June 30)	Percent Delinquent (June 30)	Total Collection (June 30) ①	Percent Collected
1972/73	\$137,830,230	\$133,854,357	\$3,975,873	2.88%	\$147,059,575	106.70%
1973/74	134,174,219	129,456,045	4,718,174	3.52	146,826,257	109.43
1974/75	149,888,598	141,422,384	8,466,214	5.65	162,371,660	108.33
1975/76	171,598,771	166,046,874	5,551,897	3.24	189,996,438	110.72
1976/77	180,547,712	172,579,912	7,967,800	4.41	182,642,214	101.16
1977/78	220,329,035	211,677,340	7,601,204	3.44	222,443,951	100.96

① Includes prior years' redemption, penalties, and interest.

Source: Riverside County Auditor-Controller.

Taxpayer	Secured Tax	Unsecured Tax	Utility Tax	Total Taxes Paid
General Telephone of California			\$4,780,643	\$4,780,643
Southern California Edison			3,957,357	3,957,357
The Pacific Telephone & Telegraph Co.			3,014,506	3,014,506
Southern California Gas Company			2,467,421	2,467,421
Kaiser Aetna	\$2,075,736	\$ 27,582		2,103,318
Kaiser Steel Corp.	1,212,588	79,540		1,292,128
Amcord, Inc.	690,221			690,221
Lemon Products Div., Sunkist Growers Inc.	609,698	2,059		611,757
Southern Pacific Transportation Co.			557,298	557,298
Rohr Industries	526,958			526,958
Owens Illinois Co.	331,107	73,421		404,528
Pacific Lighting Services			390,858	390,858
Bourns Inc.	277,485	104,413		381,898
J. C. Penney Properties (Pic Realty)	216,027	161,153		377,180
Alumax Mill Products Co.	290,290	45,434		335,724
National Life & Accident Ins. Co.	284,370			284,370

Table 8

ACTUAL REVENUE AND EXPENDITURES

1973/74

Description	Direct Service	Children's Institu- tions	Contract Services	Physically Handi- capped	Trainable Mentally Retarded	Juvenile Hall	Federal Projects	Regional Occupa- tional Program	General Purpose	Other Purpose	Educable Mentally Retarded	Educa- tionally Handi- capped	Develop- ment Center	County School Building Aid	Total
NET ADJUSTED BEGIN- NING BALANCE	\$ —	\$ 15,897	\$ 72,917	\$ 398,923	\$ 286,571	\$ 95,255	\$ 48,434	\$ 197,184	\$ —	\$ —	\$ 5,920	\$ —	\$380,416	\$ 1,014	\$ 1,502,531
Federal Income	—	—	—	—	—	29,043	2,460,726	15,581	—	48,437	—	—	—	—	2,553,787
Combined Federal and State Income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
State Income	63,324	46,750	—	735,862	457,494	325,440	127,523	606,908	—	451,294	26,711	35,747	143,042	—	3,020,095
County Income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Local Income	—	374,380	701,036	757,042	382,597	109,416	—	580,068	978,680	253,358	5,525	—	231,037	26,646	4,399,785
Income Transfers/Other Tuition Interdistrict Payments	—	—	—	—	—	—	—	—	—	—	—	1,231	—	—	1,231
TOTAL INCOME	\$ 63,324	\$437,027	\$773,953	\$1,891,827	\$1,126,662	\$559,154	\$2,636,683	\$1,399,741	\$ 978,680	\$753,089	\$38,156	\$36,978	\$754,495	\$27,660	\$11,477,429
Certificated Salaries	\$ 26,025	\$ —	\$ 37,300	\$ 601,053	\$ 299,599	\$265,651	\$ 140,956	\$ 364,763	\$ 47,826	\$247,828	\$18,677	\$21,875	\$ 86,383	\$ —	\$ 2,157,936
Classified Salaries	15,929	—	275,525	131,769	125,853	25,331	491,407	84,620	295,571	228,335	1,812	7,431	61,159	—	1,744,742
Travel	2,791	—	7,506	23,687	6,304	4,855	35,745	14,295	14,611	16,954	57	439	1,827	—	129,071
Publications	—	—	—	—	—	—	—	—	—	1,400	—	—	—	—	1,400
Equipment Replacement ...	3,099	—	—	8,663	5,912	2,530	—	2,000	—	19,857	—	—	—	—	42,061
Operating Expense	10,892	—	93,205	429,752	280,142	61,799	1,665,994	282,331	386,463	147,358	7,780	4,427	89,377	—	3,459,520
Employee Benefits	4,588	—	44,831	59,078	40,650	20,501	62,242	35,023	48,561	50,089	2,201	2,806	14,752	—	385,322
Equipment	—	—	153,269	24,496	9,058	36,804	29,544	105,705	95,918	41,268	—	—	18,785	—	514,847
Other Outgo	—	423,195	—	—	—	—	—	—	—	—	—	—	251,267	26,039	700,501
TOTAL EXPENDITURES	\$ 63,324	\$423,195	\$611,636	\$1,278,498	\$ 767,518	\$417,471	\$2,425,888	\$ 888,737	\$ 888,950	\$753,089	\$30,527	\$36,978	\$523,550	\$26,039	\$ 9,135,400
BUDGETED APPROPRIA- TIONS (as revised)	\$ 63,324	\$425,000	\$775,330	\$1,778,482	\$1,050,650	\$498,184	\$3,099,527	\$1,306,445	\$1,434,066	\$762,057	\$38,918	\$57,795	\$713,495	\$29,000	\$12,032,273
VARIANCE	—	1,805	163,694	499,984	283,132	80,713	673,639	417,708	545,116	8,968	8,391	20,817	189,945	2,961	2,896,873
ENDING BALANCE	\$ —	\$ 13,832	\$162,317	\$ 613,329	\$ 359,144	\$141,683	\$ 210,795	\$ 511,004	\$ 89,730	\$ —	\$ 7,629	\$ —	\$230,945	\$ 1,621	\$ 2,342,029

Table 9

ACTUAL REVENUE AND EXPENDITURES

1974/75

Description	Direct Service	Children's Insti- tutions	Contract Services	Physically Handi- capped	Trainable Mentally Retarded	Juvenile Hall	Federal Projects	Regional Occupa- tional Program	General Purpose	Other Purpose	Educable Mentally Retarded	Educa- tionally Handi- capped	Develop- ment Center	County School Building Aid	Total
NET ADJUSTED BEGINNING BAL- ANCE	\$ —	\$ 13,832	\$ 162,317	\$ 616,542	\$ 355,406	\$140,745	\$ 136,721	\$ 502,471	\$ 90,493	\$ (1)	\$ 7,630	\$ 3	\$230,945	\$ 1,621	\$ 2,258,725
Federal Income	—	—	138,889	—	—	32,228	2,062,870	16,852	—	31,973	—	—	—	—	2,282,812
Combined Federal and State Income ...	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
State Income	52,309	—	42,996	708,092	509,440	362,024	814,673	1,031,210	221,417	447,829	12,910	53,437	136,100	7,485	4,399,922
County Income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Local Income	1,114	425,567	892,494	831,015	443,950	176,526	—	619,486	1,307,577	262,364	10,284	—	178,716	57,392	5,206,485
Income Transfers/Other Tuition Interdis- trict Payments	—	—	—	117,792	48,378	—	—	—	—	—	—	2,849	—	—	169,019
TOTAL INCOME	\$53,423	\$439,399	\$1,236,696	\$2,273,441	\$1,357,174	\$711,523	\$3,014,264	\$2,170,019	\$1,619,487	\$742,165	\$30,824	\$56,289	\$545,761	\$66,498	\$14,316,963
Certificated Salaries	\$35,300	\$ —	\$ 49,642	\$ 695,305	\$ 351,756	\$333,617	\$ 222,894	\$ 551,488	\$ 52,882	\$252,923	\$14,141	\$35,588	\$112,523	\$ —	\$ 2,708,059
Classified Salaries	7,881	—	412,235	156,937	132,619	30,631	810,351	125,631	433,275	211,804	—	10,557	70,405	—	2,402,326
Employee Benefits	3,890	—	67,297	80,023	49,284	28,801	88,651	53,963	74,948	53,392	1,067	4,618	20,705	—	526,639
Books, Supplies and Equipment Replace- ment	2,615	—	59,200	31,237	15,573	57,526	68,585	132,650	54,703	73,320	111	2,284	31,079	—	528,883
Contracted Services and Other Operating	3,737	—	128,674	501,482	339,898	21,954	1,737,887	410,947	355,635	96,193	5,208	3,242	111,970	—	3,716,827
Sites, Buildings, Books and Media, and Other Equipment	—	—	172,023	27,102	16,387	47,977	14,332	209,924	131,697	54,533	—	—	76,000	—	749,975
Other Outgo (Includes Appropriations for Contingencies)	—	418,559	—	—	—	—	—	—	608	—	—	—	—	55,818	474,985
TOTAL EXPENDITURES	\$53,423	\$418,559	\$ 889,071	\$1,492,086	\$ 905,517	\$520,506	\$2,942,700	\$1,484,603	\$1,103,748	\$742,165	\$20,527	\$56,289	\$442,682	\$55,818	\$11,107,694
BUDGETED APPROPRIATIONS (AS REVISED)	\$53,423	\$488,832	\$1,315,647	\$2,277,554	\$1,378,783	\$778,396	\$3,385,561	\$2,765,314	\$1,548,181	\$753,372	\$30,297	\$71,292	\$495,163	\$59,145	\$15,400,960
VARIANCE	—	70,273	426,576	785,468	473,266	257,890	442,861	1,280,711	444,433	11,207	9,770	15,003	72,481	3,327	4,293,266
ENDING BALANCE	\$ —	\$ 20,840	\$ 347,625	\$ 781,355	\$ 451,657	\$191,017	\$ 71,564	\$ 685,416	\$ 515,739	\$ —	\$10,297	\$ —	\$123,079	\$10,680	\$ 3,209,269

Table 10

ACTUAL REVENUE AND EXPENDITURES

1975/76

Description	Direct Service	Children's Institutions	Contract Services	Physically Handicapped	Trainable Mentally Retarded	Juvenile Hall	Federal Projects	Regional Occupational Program	General Purpose	Other Purpose	Educable Mentally Retarded	Educationally Handicapped	Regional Adult and Vocational Council	Child Development Fund	Development Center	County School Building Ald	Total
NET ADJUSTED BEGINNING BALANCE	\$ —	\$ 20,840	\$ 347,567	\$ 808,225	\$ 464,521	\$194,050	\$ 76,025	\$ 800,314	\$ 515,999	\$ —	\$10,203	\$ (117)	\$ —	\$ —	\$123,082	\$10,681	\$ 3,371,390
Federal Income	—	—	331,544	8,232	—	81,507	2,314,525	24,876	—	25,570	—	18,769	—	—	27,540	—	2,832,563
Combined Federal and State Income	—	—	—	—	—	—	521,479	—	—	—	—	—	—	—	—	—	521,479
State Income	56,695	94,496	—	1,028,098	567,122	384,686	450,578	1,360,428	246,083	458,258	11,797	61,118	—	—	334,817	—	5,054,176
County Income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Local Income	—	730,943	996,944	892,289	596,603	103,934	13,823	481,235	1,417,121	315,148	9,354	—	—	—	287,156	60,277	5,904,827
Income Transfers/Other Tuition Interdistrict Payments	—	—	—	181,918	149,560	—	—	—	—	—	3,020	3,712	—	—	82,699	—	420,909
TOTAL INCOME	\$56,695	\$846,279	\$1,676,055	\$2,918,762	\$1,777,806	\$764,177	\$3,376,430	\$2,666,853	\$2,179,203	\$798,976	\$34,374	\$ 83,482	\$ —	\$ —	\$855,294	\$70,958	\$18,105,344
Certificated Salaries	\$37,441	\$ —	\$ 101,742	\$ 838,679	\$ 377,815	\$362,653	\$ 262,493	\$ 617,447	\$ 57,753	\$287,113	\$14,762	\$ 50,092	\$ —	\$ —	\$168,435	\$ —	\$ 3,176,425
Classified Salaries	8,810	—	625,280	202,629	150,607	47,074	449,850	196,614	493,836	262,534	—	12,561	—	—	103,638	—	2,553,433
Employee Benefits	4,839	—	108,876	106,890	59,007	38,022	81,986	83,586	87,363	66,949	1,255	6,517	—	—	32,233	—	677,523
Books, Supplies and Equipment Replacement	1,865	—	95,856	41,697	19,530	64,170	67,118	133,762	56,796	68,325	62	3,024	—	—	44,641	—	596,846
Contracted Services and Other Operating	3,740	—	142,935	603,035	351,483	28,269	2,297,106	540,279	425,996	99,067	5,223	4,859	—	—	156,309	—	4,658,301
Sites, Buildings, Books and Media, and Other Equipment	—	—	286,237	40,301	37,700	34,504	47,305	291,365	188,632	14,988	—	6,356	—	—	36,648	—	984,036
Other Outgo (Includes Appropriation for Contingencies)	—	816,598	—	—	—	—	—	—	—	—	—	—	—	—	—	60,065	876,663
TOTAL EXPENDITURES	\$56,695	\$816,598	\$1,360,926	\$1,833,231	\$ 996,142	\$574,692	\$3,205,858	\$1,863,053	\$1,310,376	\$798,976	\$21,302	\$ 83,409	\$ —	\$ —	\$541,904	\$60,065	\$13,523,227
BUDGETED APPROPRIATIONS (AS REVISED) .	\$56,695	\$825,000	\$1,747,401	\$2,627,917	\$1,802,596	\$902,463	\$4,048,201	\$2,656,913	\$2,065,165	\$859,282	\$34,325	\$173,037	\$ —	\$ —	\$709,110	\$63,265	\$18,571,370
VARIANCE	—	8,402	386,475	794,686	806,454	327,771	842,343	793,860	754,789	60,306	13,023	89,628	—	—	167,206	3,200	5,048,143
ENDING BALANCE	\$ —	\$ 29,681	\$ 315,129	\$1,085,531	\$ 781,664	\$189,485	\$ 170,572	\$ 803,800	\$ 868,827	\$ —	\$13,072	\$ 73	\$ —	\$ —	\$313,390	\$10,893	\$ 4,582,117

Table 11

ACTUAL REVENUE AND EXPENDITURES

1976/77

Description	Direct Service	Children's Institutions	Contract Services	Physically Handicapped	Trainable Mentally Retarded	Juvenile Hall	Federal Projects	Regional Occupational Program	General Purpose	Other Purpose	Educable Mentally Retarded	Educationally Handicapped	Regional Adult and Vocational Council	Child Development Fund	Development Center	County School Building Aid	Total
NET ADJUSTED																	
BEGINNING BALANCE	\$ —	\$ 29,681	\$ 315,546	\$1,070,299	\$ 785,802	\$207,070	\$ 176,323	\$ 865,013	\$ 871,622	\$ —	\$13,072	\$ 63	\$ —	\$ —	\$313,320	\$10,893	\$ 4,658,704
Federal Income	—	—	235,528	10,189	—	40,726	2,212,018	22,591	14,443	19,986	—	111,540	—	35,445	95,296	—	2,797,762
Combined Federal and State Income	—	—	—	—	—	—	—	—	—	—	—	—	—	537,647	—	—	537,647
State Income	56,539	107,737	—	1,313,891	578,586	468,824	449,432	393,076	328,386	464,021	9,080	216,429	16,540	332,229	353,291	—	5,088,061
County Income	—	—	—	—	—	8,280	—	—	—	—	—	—	—	—	—	—	8,280
Local Income	61	832,770	1,173,893	525,733	102,038	117,046	248	193,938	2,320,566	257,233	1,107	—	—	8,038	93,887	62,208	5,688,766
Income Transfers/Other Tuition Interdistrict Payments	—	—	—	185,039	142,298	—	—	1,299,622	—	—	3,394	9,845	—	—	91,283	—	1,731,481
TOTAL INCOME	\$56,600	\$970,188	\$1,724,967	\$3,105,151	\$1,608,724	\$841,946	\$2,838,021	\$2,774,240	\$3,535,017	\$741,240	\$26,653	\$337,877	\$16,540	\$913,359	\$947,077	\$73,101	\$20,510,701
Certificated Salaries	\$36,697	\$ —	\$ 82,796	\$1,082,683	\$ 470,857	\$452,776	\$ 63,043	\$ 748,235	\$ 107,153	\$268,570	\$ —	\$167,483	\$ —	\$ 200,014	\$254,649	\$ —	\$ 3,934,956
Classified Salaries	9,408	—	576,127	264,256	193,458	66,289	194,809	245,678	754,271	147,125	—	53,478	5,312	136,608	130,067	—	2,776,886
Employee Benefits	5,609	—	110,026	159,274	83,026	55,436	41,825	119,254	143,135	53,506	—	27,566	992	46,231	48,131	—	894,011
Books, Supplies and Equipment Replacement	—	—	321,730	48,042	9,540	65,644	25,141	134,136	59,107	85,600	—	8,850	543	54,319	36,277	—	848,929
Contracted and Other Operating Services	4,886	—	159,954	745,984	403,138	32,299	2,453,621	657,012	431,569	96,974	21,246	78,773	8,203	444,994	186,548	—	5,725,201
Sites, Buildings, Books and Media, and Other Equipment	—	—	65,936	47,650	21,375	23,413	27,101	339,205	406,996	89,465	—	1,727	1,490	28,027	7,888	—	1,060,273
Other Outgo	—	969,076	—	—	—	—	—	—	—	—	—	—	—	—	—	60,459	1,029,535
TOTAL EXPENDITURES	\$56,600	\$969,076	\$1,316,569	\$2,347,889	\$1,181,394	\$695,857	\$2,805,540	\$2,243,520	\$1,902,231	\$741,240	\$21,246	\$337,877	\$16,540	\$ 910,193	\$663,560	\$60,459	\$16,269,791
BUDGETED APPROPRIATIONS (AS REVISED)	\$61,404	\$998,000	\$1,751,698	\$2,973,488	\$1,633,227	\$930,368	\$3,281,373	\$2,727,315	\$3,462,139	\$778,044	\$23,133	\$468,689	\$16,540	\$1,056,138	\$932,383	\$61,899	\$21,155,838
VARIANCE	4,804	28,924	435,129	625,599	451,833	234,511	475,833	483,795	1,559,908	36,804	1,887	130,812	—	145,945	268,823	1,440	4,886,047
ENDING BALANCE	\$ —	\$ 1,112	\$ 408,398	\$ 757,262	\$ 427,330	\$146,089	\$ 32,481	\$ 530,720	\$1,632,786	\$ —	\$ 5,407	\$ —	\$ —	\$ 3,166	\$283,517	\$12,642	\$ 4,240,910

Table 12

BUDGETED REVENUE AND EXPENDITURES

1977/78

Description	Direct Service	Children's Institutions	Contract Services	Physically Handicapped	Trainable Mentally Retarded	Juvenile Hall	Federal Projects	Regional Occupational Program	General Purpose	Other Purpose	Educable Mentally Retarded	Educationally Handicapped	Regional Adult and Vocational Council	Child Development Fund	Development Center	County School Building Aid	Total
BEGINNING BALANCE	\$ —	\$ —	\$ 304,097	\$ 121,581	\$ 294,464	\$ 99,828	\$ —	\$ 241,109	\$1,400,744	\$ —	\$ 514	\$ —	\$ —	\$ —	\$ 10,000	\$ —	\$ 2,472,337
Federal Income	—	—	—	—	—	—	—	25,415	14,443	6,834	—	27,578	—	—	—	—	74,270
Combined Federal and State Income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
State Income	59,383	—	—	1,517,734	701,605	489,869	—	—	—	465,441	60,073	386,645	—	—	305,440	—	3,986,190
County Income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Local Income	8,176	1,000,000	1,000,968	1,874,238	695,538	213,210	—	588,755	2,403,473	398,286	23,443	7,000	—	—	679,505	64,460	8,957,052
Income Transfers/Other Tuition	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interdistrict Payments	—	—	—	123,500	128,000	—	—	2,228,540	—	—	—	44,821	—	—	80,000	—	2,604,861
TOTAL INCOME①	\$67,559	\$1,000,000	\$1,305,065	\$3,637,053	\$1,819,607	\$802,907	\$—	\$3,083,819	\$3,818,660	\$870,561	\$84,030	\$466,044	\$—	\$—	\$1,074,945	\$64,460	\$18,094,710②
Certificated Salaries	\$42,053	\$ —	\$ 29,846	\$1,506,858	\$ 654,397	\$503,502	\$—	\$1,089,899	\$ 134,313	\$293,146	\$45,207	\$213,075	\$ —	\$ —	\$ 314,482	\$ —	\$ 4,826,778
Classified Salaries	9,930	—	472,374	402,814	277,169	69,803	—	375,090	832,543	166,073	—	80,985	—	—	194,314	—	2,881,095
Employee Benefits	7,331	—	108,862	309,779	163,602	78,523	—	255,371	215,076	74,843	6,113	53,052	—	—	93,534	—	1,366,086
Books, Supplies and Equipment Replacement	—	—	326,254	157,858	63,980	67,374	—	218,045	151,349	131,897	2,550	9,866	—	—	79,987	—	1,209,160
Contracted Services and Other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating	5,275	—	153,250	1,099,509	579,107	50,326	—	763,982	557,344	131,343	22,260	94,116	—	—	259,374	—	3,715,886
Sites, Buildings, Books and Media, and Other Equipment	—	—	55,000	112,800	47,900	22,770	—	307,300	1,613,140	50,000	7,900	7,000	—	—	103,400	—	2,327,210
Other Outgo (Includes Appropriation for Contingencies)	2,970	1,000,000	159,479	47,435	33,452	10,609	—	74,132	314,895	23,259	—	7,950	—	—	29,854	64,460	1,768,495
TOTAL EXPENDITURES②	\$67,559	\$1,000,000	\$1,305,065	\$3,637,053	\$1,819,607	\$802,907	\$—	\$3,083,819	\$3,818,660	\$870,561	\$84,030	\$466,044	\$—	\$—	\$1,074,945	\$64,460	\$18,094,710

① Total Income cannot be compared to 1973/74 through 1975/76 Total Income because the 1977/78 Federal Project and Special State Project Income was not available on the day that the 1977/78 Budget was adopted. Federal and Special State Project Income is placed in the Budget at various times throughout the year as funds become approved. The Office of the County Superintendent advises that Total Federal and Special State Project Income for fiscal year 1977/78 is \$7,322,808 producing a Total 1977/78 Income of \$25,417,518 as of August 2, 1978.

② The unaudited expenditures for 1977/78 total \$20,115,163.

Source: Riverside County Board of Education.

Fund Balances

A summary of the Board's fund balances as of June 30 for each of the past four years is presented below. The estimated 1977/78 fund balances are also presented.

The Board's proposed 1978/79 Income and Expenditures is presented on page 30. The Budget must be adopted no later than the first week of September. See the "Security" section of this Official Statement for a discussion of the Budget as it relates

to the passage of the Jarvis-Gann Constitutional Amendment, page 9.

The proposed Budget includes: A contingency of \$2,626,634, \$700,000 in the General Purpose Fund for the acquisition of furniture and equipment (\$650,000 for the Project described in this Official Statement) and \$992,767 for the purchase of relocatable buildings for the new Special Education Master Plan Program.

Fund Balances as of June 30

Name of Fund	1973/74	1974/75	1975/76	1976/77	Estimated 1977/78
Direct Services	\$ —	—	—	—	—
Children's Institutions	\$ 13,832	20,840	29,681	1,112	125,909
Contract Services	\$162,317	347,625	315,129	408,398	165,000
Physically Handicapped	\$613,329	781,355	1,085,531	757,262	913,411
Trainable Mentally Retarded	\$359,144	451,657	781,664	427,330	446,191
Juvenile Hall	\$141,683	191,017	189,485	146,089	85,684
Federal Projects	\$210,795	71,564	170,572	32,481	64,400
Regional Occupational Programs	\$511,004	685,416	803,800	530,720	220,991
General Purpose (includes capital outlay tax)	\$ 89,730	515,739	868,827	1,632,786	1,200,000
Other Purpose	\$ —	—	—	—	—
Educable Mentally Retarded	\$ 7,629	10,297	13,072	5,407	—
Educationally Handicapped	\$ —	—	73	—	—
Child Development Fund①	\$ —	—	—	3,166	—
Development Center for Handicapped Minors	\$230,945	123,079	313,390	283,517	440,398
County School Building Aid	\$ 1,621	10,680	10,893	12,642	12,813

① Not a part of the Object Code Funding in 1973/74 and 1974/75. This is a part of the Federal Projects Fund but must be accounted for separately by state regulation. Source: Board Audit Reports.

The appropriation for contingencies in the 1978/79 Proposed Budget follows:

Appropriation for Contingencies Proposed Budget

Fund	Proposed Contingencies
Special Education Master Plan	\$ 653,181
Juvenile Hall	73,066
Regional Data Processing	69,487
Regional Occupational Program	197,178
Direct Service	1,236
Other Purpose	17,359
General Purpose	1,614,101
County School Building Aid	1,026
Total Appropriation for Con- tingencies	\$2,626,634

Source: Riverside County Superintendent of Schools.

Employer-Employee Relations

Until July 1, 1976, the Office of the Riverside County Superintendent of Schools operated under the Winton Act which required that the district "meet and confer" in good faith with its certificated and classified employees concerning matters of employer-employee relations. In the fall of 1974 the Legislature enacted a public school employee collective bargaining law known as the Rodda Act which became effective in stages on January 1, 1976, April 1, 1976, and July 1, 1976. This law provides that employees are to be divided into appropriate bargaining units which are to be represented by an exclusive bargaining agent.

Under the provisions of the Rodda Act, on May 7, 1976, the Riverside County Office Teachers Association (R.C.O.T.A.), an affiliate of the California Teachers Association (C.T.A.), petitioned the Board

PROPOSED 1978/79 REVENUES AND EXPENDITURES^①

Description	Direct Service	Children's Institutions	Contract Services	Juvenile Hall	Regional Occupational Program	General Purpose	Other Purpose	Special Education Master Plan	County School Building Aid	Total
Beginning Balance	\$ —	\$125,909	\$ 165,000	\$ 85,684	\$ 220,991	\$1,200,000	\$ —	\$ 1,800,000	\$12,813	\$ 3,610,397
Federal Income	—	—	—	—	—	12,500	6,834	—	—	19,334
State Income	75,339	—	314,229	459,376	346,464	1,959,025	549,377	12,787,017	29,253	16,520,080
Local Income	—	—	824,928	87,412	162,905	985,272	137,155	1,238,349	21,030	3,457,051
Income Transfers/Other Tuition Interdistrict Payments	—	—	—	—	2,269,071	—	—	2,688,271	—	4,957,342
TOTAL INCOME	\$75,339	\$125,909	\$1,304,157	\$632,472	\$2,999,431	\$4,156,797	\$693,366	\$18,513,637	\$63,096	\$28,564,204
Certificated Salaries	\$46,635	\$ —	\$ 32,654	\$405,305	\$1,089,486	\$ 80,477	\$293,909	\$ 2,970,552	\$ —	\$ 4,919,018
Classified Salaries	10,594	—	490,958	37,892	381,350	817,671	151,472	1,077,085	—	2,967,022
Employee Benefits	8,376	—	111,331	65,314	259,696	191,672	72,092	712,514	—	1,420,995
Books, Supplies and Equipment Replacement	1,323	—	305,565	24,400	171,010	177,982	51,112	185,435	—	916,827
Contracted Services and Other Operating	7,175	—	191,750	21,735	688,171	565,089	73,422	11,587,385	—	13,134,727
Sites, Buildings, Books and Media, and Other Equipment	—	—	102,412	4,760	212,540	709,805	34,000	1,114,985	—	2,178,502
Other Outgo (Includes Appropria- tion for Contingencies) ^②	1,236	125,909	69,487	73,066	197,178	1,614,101	17,359	865,681	63,096	3,027,113
TOTAL EXPENDITURES	\$75,339	\$125,909	\$1,304,157	\$632,472	\$2,999,431	\$4,156,797	\$693,366	\$18,513,637	\$63,096	\$28,564,204

① The Federal Projects Fund and the Child Development Fund become available to the Board at various times throughout the year. The Income in 1977/78 was \$7,322,808 (unaudited). The Board anticipates 1978/79 revenues to approximate the 1977/78 revenues.

② Appropriation for contingencies are \$2,626,634.

of Education to be the exclusive representative for all teachers. As there was no intervening petition by any other organization, and since the R.C.O.T.A. had historically represented county office teachers, the Board of Education, on June 7, 1976, granted voluntary recognition of the R.C.O.T.A. to be the exclusive bargaining agent for teachers. The R.C.O.T.A. and the Board's representatives then met and negotiated a mutually agreed upon three-year teacher contract extending through June 30, 1979.

The exclusive bargaining agent for classified employees (excluding management and confidential employees) was determined by an act of voluntary recognition on March 24, 1978, whereby the Board of Education determined that Chapter 18 of the Public Employees of Riverside County (P.E.R.C.), was the exclusive agent for all employees assigned to the Classified Employee Comprehensive Unit. P.E.R.C. and the Board's representatives then met and negotiated a mutually agreed upon two-year contract for the term 1977-78 and 1978-79, extending through June 30, 1979.

Under the provisions of the Rodda Act, employees in positions designated as management or confidential are excluded from representation by an exclusive bargaining agent. These employees are represented by the County Superintendent of Schools and the County Board of Education.

Pension Plans

The Office of the County Superintendent of Schools participates in the State of California Teachers' Retirement System (STRS). This plan covers basically all full-time certificated employees. The County Office's contribution to STRS for fiscal year 1976/77 amounted to \$247,038, which included both current costs and backfunding.

The Office of the County Superintendent of Schools also participates in the State of California Public Employees' Retirement System (PERS). This plan covers all classified personnel who are employed at least 50% of the workweek. The Office of the County Superintendent of Schools contribution to PERS for 1976/77 was at \$227,800, including current costs and backfunding.

Both systems are operated on a statewide basis. Records are maintained in such a way that information relating to vested benefits, unfunded vested benefits, and prior service costs are not available for the Office of the County Superintendent of Schools.

The State Teachers' Retirement System (STRS) operates under provisions of the State Education Code. The system includes California public teachers from preschool through grade fourteen and certain other employees of the public school system. There were approximately 334,200 active and inactive members, 72,368 benefit recipients, and 1,149 participating agencies at June 30, 1977. Membership is mandatory for all certificated employees meeting the eligibility requirements.

The system is financed by earnings from investments and contributions from members, school districts, and the State of California, which pays \$144,300,000 annually to the year 2002, subject to annual legislative appropriation. Under present rules, members contribute eight percent of applicable earnings, and school districts contribute a percentage of applicable member earnings, rising to eight percent beginning July 1, 1978. However, under legislation enacted in 1977, new increased rates, effective July 1, 1979, would result in total contributions of 21 percent of payroll after a five-year period. The employer rate would increase to 10 percent, and the State of California would contribute three percent, with the employee rate remaining at eight percent.

At June 30, 1977, the total unfunded obligation of the system was \$9,894,721,919, as determined by the independent actuary. This includes the present value of future State contributions provided by the State Teachers' Retirement Law (\$1,666,000,000). Comparable figures for June 30, 1976 were \$9,420,709,989 and \$1,577,182,428, respectively. In the opinion of the Chief Executive Officer for STRS, the additional contributions referred to above, while helpful, will not solve the funding problem.

Actuarial valuations of the System are based upon the entry-age-normal cost method, which is a projected benefit cost method wherein level normal cost rates (contributions) are computed sufficient to fund benefits over the entire service life of members. The system's financial statements are prepared on the accrual basis of accounting.

The State Teachers' Retirement System's actuary is Milliman & Robertson, Inc., of San Francisco, California; Investment Counsel for equities is Scudder, Stevens & Clark, San Francisco, California; auditor is Coopers & Lybrand, Sacramento, California.

The State Public Employees' Retirement System (PERS) was originally established in 1931. As of June 30, 1977, there were 556,759 members, of whom approximately 10% are classified as

“safety” members (principally fire and police duties) and the balance are classified as “miscellaneous” members (management, administrative, staff, operational and clerical employees).

Approximately one-third of the members are state personnel and the balance are public agency personnel. As of June 30, 1977, the System provided retirement, death and survivor benefits under 979 contracts for 2,078 public agency employers (cities, counties, school districts, special districts and other public bodies) with 374,051 members. The System’s funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules.

Total assets of the System at June 30, 1977 were \$8,951,294,831 according to the annual audit. Of this amount, net assets of \$8,755,875,035 were available for benefits.

The annual contribution by employers for the 1976/77 fiscal year was \$718,363,062. The annual contribution by employees for the 1976/77 fiscal year was \$312,725,614.

The most recent actuarial valuation, performed by PERS, utilized census data as of June 30, 1976. The total unfunded obligation of the System was determined to be \$6,868,665. The method used was entry-age-normal cost, which is a projected benefit cost method wherein level employer normal cost rates, considering present member contributions, are calculated at amounts sufficient to fund benefits over the entire service life of members.

Except for the pooling of certain miscellaneous public agency members, actuarial evaluations are performed for each participating employer, and the total accrued actuarial liability noted above is the sum of the individual employer accounts. According to the PERS annual report, public agency employer contribution rates set forth between each agency and PERS will meet all ongoing costs and fund the unfunded liability for each agency in accordance with the terms of each agency’s contract.

The System’s financial statements are prepared on an accrual basis of accounting and the System’s auditor is Touche Ross & Co., San Francisco, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System’s actuarial activities are conducted internally on a continuous basis, with an experience analysis being required no less than every four years

under the Retirement Law. Management Applied Programming, Inc., Los Angeles, California is reviewing the June 30, 1977 actuarial valuation prepared by the PERS staff.

Bonding Capacity and Debt Statement

The Statement of Direct and Estimated Overlapping Debt of the Riverside County Board of Education is presented in Table 13, page 33. The County Board of Education and Office of County Superintendent of Schools has no constitutional or statutory limit on the ability to make lease payments.

The Board’s share of authorized and unsold bonds is:

Metropolitan Water District	\$10,570,000
Eastern Municipal Water District . . .	\$63,980,000
Western Municipal Water District . .	\$ 5,585,000
Coachella Valley Co. Water District . .	\$49,537,932
Rancho California Water District . . .	\$96,800,000
Other Water Districts	\$ 1,068,000
Unified School Districts	\$12,448,000
Other School and High School Districts	\$ 6,547,000
Cities	\$ 1,075,000
Other Special Districts	\$ 355,000
State School Building Aid	
Repayable as of 6/30/77	\$27,520,823

Other Indebtedness

The District is making annual lease payments to United California Bank for a Burroughs 6700 computer main-frame. The remaining payments are:

Payment Date	Amount of Payment
January 1, 1979	\$160,607.57
January 1, 1980	160,607.57
January 1, 1981	160,607.57
Total	\$481,822.71

Future Bond Sales

The Board anticipates the construction of sixteen special education buildings at an aggregate estimated cost of \$9,700,000. Applications are now pending to the State Allocation Board for a state loan to finance the construction of these facilities. In the event that state loan financing is not available for any or all of these proposed projects, the Board will consider the possibility of financing a portion of the sixteen school facilities through the present Corporation.

Table 13

RIVERSIDE COUNTY BOARD OF EDUCATION

Statement of Direct and Estimated Overlapping Bonded Debt^①

Estimated Population	590,200	
1977/78 Assesed Valuation (after adjustment for the redevelopment increment)	\$2,403,123,971 ^②	
Estimated Real Value	\$9,948,800,000 ^③	

Public Entity	Percent Applicable	Estimated Debt Applicable August 21, 1978
Riverside County	100. %	\$ 720,000
Riverside County Building Authorities	100.	20,915,000
Riverside County Board of Education	100.	6,320,000 ^④
Riverside County Free Library Authorities	100.	1,270,000
Metropolitan Water District	2.896	15,206,317
Riverside County Flood Control and Water Conservation District—Zone 1 .	100.	22,125,000
Community College Districts	Various	8,072,279
Riverside Unified School District	100.	18,458,988
Other Unified School Districts	Various	49,161,909
Other School and High School Districts	100.	5,216,000
Cities	100.	23,126,000
City Authorities	100.	32,643,000
Eastern Municipal Water District and Improvement District Bonds	100.	17,456,000
Other Water Districts	Various	46,474,586
Desert and San Gorgonio Hospital Authorities	100.	26,705,000
Other Special Districts	100.	17,039,839
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		\$310,909,918
Less: Eastern Municipal Water Improvement District and Lake Hemet Municipal Water Improvement District No. 1 ...		3,006,361
Various City water, sewer, and golf course		7,247,606
Cities of Indio and Riverside Parking District		860,000
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT ..		\$299,795,951

	Ratio to		Per Capita
	Assessed Valuation	Real Value	
Assessed valuation	—	—	\$4,072.00
Direct debt (\$6,320,000)	0.263%	0.063%	\$ 11.00
Net direct and estimated overlapping bonded debt	12.475%	3.013%	\$ 508.00

① Prepared in cooperation with California Municipal Statistics, Inc.

② Includes homeowners' and business inventory exemptions of \$249,044,891.

③ The State Board of Equalization reports that the 1976/77 assessed valuations in Riverside County average 24.1 percent of full market value. Public utility property (\$151,664,350) is assessed by the State Board of Equalization at 25 percent of market value.

④ The presently offered bonds which is not a debt of the Board as the Board is the lessee of the Project. The Bonds are a debt of the Corporation.

RIVERSIDE COUNTY

In 1774 Captain Juan Bautista de Anza led a Spanish expedition through the area now known as Riverside County. Early settlers raised cattle and sheep, but severe droughts of the early 1860s caused a shift to grain and fruit, which are still important commodities in the County's agricultural base. Riverside County was formed in 1893 from portions of San Bernardino and San Diego Counties. With a total area of 7,249 square miles, it is the fourth largest county in California.

Los Angeles and Orange Counties are west of the County. To the north is San Bernardino County, and San Diego and Imperial Counties form the southern boundary. The eastern border is formed by the Colorado River and the Arizona state line. Elevations range from 216 feet below sea level to 10,831 feet at Mount San Jacinto, near Palm Springs. The City of Riverside, the County seat, is 55 miles east of downtown Los Angeles. Riverside County and San Bernardino County together constitute the Riverside-San Bernardino-Ontario Standard Metropolitan Statistical Area, fifth largest metropolitan area in California in terms of population (January 1978 population 1,347,000).

The northwestern part of the County, in and around the City of Riverside, is the most populous. It forms part of the Southern California citrus belt, and has been the center of industrial development in the County. The next most populous area is the Coachella Valley, in the south central part of the County, location of the well-known Palm Springs winter resort area. Mount San Jacinto, immediately to the west of the Valley, is reached via the Palm Springs Aerial Tramway. The Coachella Valley is famous for high-yield crops such as grapefruit, dates and table grapes. To the south of the Valley is the Salton Sea.

In the eastern part of the County are desert ranges and basins. Kaiser Steel's iron ore and gypsum mining complex is located at Eagle Mountain. To the southeast is the fertile Palo Verde Valley, which produced over \$70 million worth of farm commodi-

ties in 1976. With the City of Blythe as its trading center, it is the only populous area in the eastern half of the County.

Riverside County was among the leading California counties in agricultural production in 1977, with 31 crops valued at \$1 million or more. The County's diversified manufacturing base has been expanding. A major trend in the County's economy in recent years has been the migration of small and medium-sized manufacturing firms from Los Angeles and Orange Counties. There are now over 500 industrial plants in the County. Other leading economic activities are mining, recreation, and tourism.

The diversified topography of Riverside County creates many different temperature and precipitation zones. The Santa Ana Mountains and the San Jacinto Mountains in the western part of the county have entirely different climatic conditions from those found in the eastern desert areas. In general, the County has warm to hot summers and moderate to cool winters. In July, daily maximum readings average 90 degrees or more and January afternoon readings are usually 62 degrees or higher at elevations below 2,000 feet.

County Government

The County was incorporated May 9, 1893. It is a general law county under California statutes, and is governed by a five-member Board of Supervisors who represent individual districts. Elected officials are the Assessor, Auditor-Controller, Coroner-Public Administrator, County Clerk, District Attorney, Recorder, Sheriff, Superintendent of Schools, and Treasurer and Tax Collector. The County Administrative Officer is responsible for the day-to-day functioning of county governmental affairs. Assisting him are 30 department heads. County administrative functions are housed in a new 11-story building at 4080 Lemon Street in Riverside.

There are 17 cities in the County. In the aggregate, these incorporated areas account for 63 percent of total County population. Riverside is the largest city, with a January 1977 estimated population of 164,638. Other cities with populations exceeding 10,000 are Corona (35,320), Palm Springs (30,820), Hemet (19,616), Indio (19,383), Norco (19,146), and Banning (12,077).

Population

In January, 1978, the County's total population was estimated at 590,200 by the State Department

of Finance. This total was 24,400 greater than the previous January, and an increase of 28 percent over the 1970 U.S. Census total.

The County's population grew 80% during the decade of the fifties, and another 50% during the decade of the sixties, as reflected in the following tabulation of Federal Census data and the most recent estimates. Riverside County's growth rate during the periods shown has exceeded that of the State

of California by a substantial margin.

In the 1970 Census, County residents reported 12.3 median school years completed. There were over 27,000 college graduates and more than 66,000 persons with one or more years of college.

The median age of County residents at December 1976 was 31.1 years, compared with 29.5 years for the State of California (Survey of Buying Power, Sales Management).

POPULATION GROWTH

Year	County of Riverside	Percent Change	State of California	Percent Change
1940	105,524	—	6,907,387	—
1950	170,046	61.1%	10,586,223	53.3%
1960	306,191	80.0	15,717,204	48.5
1970	459,074	49.9	19,953,134	27.0
1977①	590,200	28.6	22,077,000	10.6

① January 1, 1978 estimate by the State Department of Finance.

Housing

The County Planning Department estimates 230,329 dwelling units in the County as of January, 1977, compared with 169,757 in the 1970 Census year.

In the 1970 Census of Housing, over 74% of all housing units were single-family homes, and nearly 57% were owner-occupied. The median home value was \$18,900, and the median monthly rental was \$93. Comparable medians for the two-county metropolitan area were \$17,800 and \$93, respectively.

Since the 1970 Census of Housing, over 56,000 new housing units have been built in Riverside County. About 65% of this total number consists of single-family dwellings.

Income

In 1970 the average family income in Riverside County was \$10,427 and median family income was \$8,997, according to U.S. Census returns. Nearly 19% of all families realized an annual income of \$15,000 or more, as shown in the tabulation to the right.

Per capita income for County residents in 1974 was \$4,445, according to an estimate by the U.S. Department of Commerce. This compares with

\$3,667 in 1972 and \$3,083 in 1969. In neighboring San Bernardino County, estimated 1974 per capita income was \$4,363.

COUNTY OF RIVERSIDE

Family Income 1970

Income	No. of Families	Percent of Total
Less than \$6,000	35,715	30.2%
\$ 6,000-\$ 9,999	31,098	26.3
10,000- 14,999	29,278	24.7
15,000- 24,999	17,326	14.6
25,000- 49,999	4,201	3.5
50,000 or more	836	.7
Total	118,454	100.0%

Source: U.S. Bureau of the Census.

The 1977 Survey of Buying Power (Sales Management) indicates that there was a pronounced shift into higher family income brackets between 1970 and 1976. This survey reports that over 36 percent of all County families now realize annual incomes of \$15,000 or more, as shown in the tabulation on page 36.

Effective Buying Income	Percent of Total
Under \$8,000	34.7%
\$ 8,000-\$ 9,999	8.3
10,000- 14,999	20.6
15,000- 24,999	26.0
25,000 or more	10.4
Total	100.0%

Employment

Within the County, there are 27 establishments employing 500 or more and 228 employing 100 or more, according to employer reports filed under state payroll withholding regulations. The 9,376 employers who submitted payroll information in September 1977, reported annual payrolls amounting to nearly \$1½ billion, according to the California Department of Employment Development.

Government employment accounts for approximately 23% of all jobs and 25% of total payrolls in Riverside County. Most public employment is at the local government level, with state workers comprising the next largest body of employees in this category.

After government, the leading sources of jobs in the County are retail trade (19%), services (17%), and manufacturing (13%). The distribution of employment and payrolls in the County for the second quarter of 1977, based on employers' payroll withholding reports, is presented below.

In the 1970 U.S. Census, over 80% of respondents furnishing information on place of work said they were employed within Riverside County. Today the percentage of workers with jobs outside the County is probably considerably higher because of the large number of those relocating from Orange County and continuing to work in that area.

The County's industrial structure and large industrial employers are discussed on pages 37, 38 and 39. Employment at major federal installations in the County is described on page 37. Among the large government employers are the County of Riverside, with over 5,800 employees; the University of California at Riverside, which employs 3,600; the Riverside Unified School District (2,368); and the City of Riverside (1,449). At Norco, southwest of Riverside, the State of California employs 650 at the California Rehabilitation Center, a minimum security penal institution.

COUNTY OF RIVERSIDE

Employment and Payrolls

Second Quarter 1977

Industry	No. of Employers	No. of Employees②	Quarterly Wages
Agriculture, Forestry	1,048	17,898	\$ 28,001,004
Mining	14	1,578	6,793,734
Construction	1,126	8,415	27,556,690
Manufacturing	504	22,791	66,984,933
Transportation, Utilities	273	5,861	21,746,779
Wholesale Trade	449	7,133	18,377,862
Retail Trade	2,558	31,795	55,650,382
Finance, Insurance, Real Estate	723	6,574	16,553,233
Services	2,849	29,417	61,246,666
Federal Government	29	3,916	14,037,479
State Government	146	6,204	21,040,275
Local Government	79	28,410	84,429,067
Other	94	545	756,469
Total①	9,892	170,537	\$423,174,573

① All gainful employment except domestic workers and self-employed individuals.

② June 1977.

Source: State Department of Employment Development.

Current employment data are available only for the Riverside-San Bernardino-Ontario Labor Market, consisting of Riverside and San Bernardino Counties. At April 1978 this two-county metropolitan labor market had a civilian labor force of 541,200 and total civilian employment of 509,500. The resulting unemployment rate (unadjusted) of 5.9% represents a significant decline from the 8.0% prevailing at April 1977. Seasonally adjusted unemployment rates are not yet available because of new reporting procedures.

Wage and salary employment in this two-county labor market totaled 405,200 in April 1978, including 19,700 agricultural workers. As with Riverside County, the principal source of jobs in the metropolitan area is government, with nearly one-fourth of all civilian workers on public payrolls, principally at the state and local level. Next in importance are services, retail trade, and manufacturing. As reflected in the tabulation of employment presented below, wage and salary employment increased 18,800 from April 1977 to April of 1978. State and local governments added 5,300 workers, the services industries added 4,400, retail trade establishments hired 3,500 additional employees, and durable goods manufacturers employed 1,300 new workers.

Federal Installations

March Air Force Base, located approximately ten miles southeast of the City of Riverside, is the largest Air Force facility in Southern California. Covering approximately 8,800 acres, March AFB is a component of the Strategic Air Command and serves as headquarters of the 15th Air Force. About 1,300 civilians and 5,500 military personnel are employed at the base.

The Navy's Fleet Missile Systems Analysis and Evaluation Group Annex employs 650 civilians at Norco, southwest of Riverside.

Industry

Since the 1950's, expansion of the industrial base has been a major contributing factor to the overall growth and development of the County. County leaders have followed a policy of encouraging industrial development. These efforts are headed by the Riverside County Department of Development (formerly the Board of Trade) which was established and is supported by the County.

The 1975 Survey of Manufactures reported that 20,700 industrial employees in the County drew salaries and wages aggregating \$208.6 million, and

RIVERSIDE—SAN BERNARDINO—ONTARIO

LABOR MARKET

Wage and Salary Employment

Industry	April 1978	April 1977	Percent Change
Manufacturing, Durable Goods	42,300	41,000	3.2 %
Manufacturing, Nondurable Goods	16,300	16,100	1.2
Mining	2,500	2,200	13.6
Construction	18,300	17,300	5.8
Transportation, Utilities	20,400	19,700	3.6
Wholesale Trade	15,400	14,100	9.2
Retail Trade	77,200	73,700	4.7
Finance, Insurance, Real Estate	15,000	14,400	4.2
Services	79,300	74,900	5.9
Federal Government	14,900	14,500	2.8
State and Local Government	83,900	78,600	6.7
Total Nonagricultural	385,500	366,500	5.2 %
Agriculture, Forestry	19,700	19,900	(1.0)
Total Wage and Salary Employment	405,200	386,400	4.9 %

Source: State Department of Employment Development.

produced goods which accounted for an added value of \$456.6 million during the year.

The federal industrial survey disclosed that in 1975 the value of industry shipments totaled \$948.6 million in the county. The largest dollar payrolls were disbursed by producers of transportation equipment, primary metals, electrical equipment, and non-electrical machinery.

The largest manufacturing firms in the County are Bourns, Inc. an electronics firm, Fleetwood Enterprises, which makes mobile homes and recreational vehicles, and Rohr Industries, a producer of aerospace assemblies. Each of these companies and Kaiser Steel, which operates iron ore properties at Eagle Mountain, employs more than 1,000 people in Riverside County. A number of smaller electronics firms and precision metal products manufacturers are located in the industrialized areas of the County, many acting as subcontractors for larger firms in the vicinity and in other parts of Southern California.

Processing of food and similar products, particularly the preparation of lemon juice and dates, has long been an important sector of the Riverside County economy. The California Date Growers Association in Indio and the Lemon Products Division of Sunkist Growers, Inc., in Corona, are the two largest employers in the food products group. More than 4,000 workers are employed on a seasonal basis at packing plants and processing operations throughout the County.

Other nationally-known firms operating in Riverside County are Alcoa, the Deutsch Company, FMC Corp., Johns-Manville, Owens-Illinois Corp., Container Corp. of America and the 3M Company. The largest industrial employers in the County are listed on the opposite page.

The majority of Riverside County cities have ample industrially-zoned areas. The Riverside County Department of Development reports an abundance of land available for development in the County zoned for light, medium, or heavy industrial use, most of which is served with all utilities including municipal sewer and water facilities. The County's largest industrial parks and districts are shown in the tabulation to the right.

At Riverside Airport Industrial Area, Winnebago Industries has recently constructed a 126,000 square foot plant to produce mobile homes, with anticipated employment of 300. Flexsteel, which manufactures

furniture for recreational vehicles, has recently completed construction of a plant nearby to employ 200 workers.

E. C. DeYoung is establishing a plant in Riverside to make modular sound suppression structures used in testing jet aircraft engines. Initial employment of 100 is expected to expand to 250 in three years.

Amatek Inc. has opened a plant at Rancho California to make processing equipment for the petrochemical, food, and pharmaceutical industries, employing 250.

Silvercrest Industries has established a mobile home plant in Corona employing 100-200.

Toro Co., maker of automatic irrigation sprinkling equipment, is adding 70,000 square feet to its Riverside plant, with an increase of 200 jobs. Bourns, Inc. is adding 65,000 square feet to Riverside facilities, requiring 150 new employees initially and several hundred more within five years.

CALPRO, a subsidiary of Trailer Train Co., has announced plans to construct a rail car maintenance and repair facility in excess of 185,000 square feet at Mira Loma. Initial employment will be 300 people. Trailer Train, headquartered in Chicago, is owned principally by 29 railroads.

Consolidated Freightways, the nation's second largest motor truck carrier, is building a regional truck terminal on a 61.7-acre site in Mira Loma, at the intersection of the Pomona and Devore Freeways. Employment is estimated at 200.

RIVERSIDE COUNTY

Industrial Parks and Districts

Name	Year Estab- lished	No. of Acres
Blythe County Airport Industrial Park	1965	3,500
Thermal Airport Industrial Park ...	1965	1,200
Riverside Airport Industrial Area ..	1958	993
Union Pacific Mira Loma Industrial District	1967	900
Hunter Industrial Area	1958	628
Rancho California Industrial Park ..	N.A.	450
Mira Loma Space Center	1966	340

Source: County Department of Development.

RIVERSIDE COUNTY**Major Industrial and Business Employers**

Company	Location	Employees	Product/Service
Alcoa Corp.	Corona	325	Premium aluminum castings
Alumax Mill Products	Riverside, Romoland	418	Aluminum products
AMATEK, Inc.	Rancho California	250	Specialty equipment
Amoco Reinforced Plastics	Riverside	250	Fiberglass products
ATCO International, Inc.	Riverside	250	Relocatable housing structures
Bank of America	Various	580	Commercial bank
Bird Corp., subsidiary of 3M Co.	Palm Springs	160	Respirators, resuscitators
Bourns, Inc.	Riverside, Romoland	1,200	Electronics
California Date Growers Association	Indio	100-600	Dates
Clow Corp.	Corona	230	Fire hydrants, valves
Deutsch Co.	Banning, San Jacinto	960	Electrical components
Fleetwood Enterprises	Riverside	1,450	Mobile homes, recreational vehicles
FMC Corp.	Riverside	300	Agricultural machinery
General Telephone Co.	Perris	290	Utility
Hunter Engineering	Riverside	310	Rolling mill machinery, industrial furnaces
Johns-Manville	Corona	400	Fiberglass insulation
Kaiser Steel Co.	Eagle Mountain	1,400	Iron ore mine
Alfred M. Lewis	Riverside	600	Wholesale grocer
Lily Division of Owens-Illinois Corp.	Riverside	480	Cups and containers
Luxfer USA Ltd.	Riverside	175	Gas cylinders
Massey Sand & Rock	Indio	300	Construction materials
Pacific Telephone Co.	Riverside	800	Utility
Press-Enterprise Co.	Riverside	424	Publisher
Richard A. Glass	Indio	300	Produce packing, shipping
Riverside Cement Co., Div. Amcord, Inc.	Rubidoux	600	Cement
Rohr Industries	Riverside	1,500	Aerospace assemblies
Security Pacific National Bank	Various	500	Commercial bank
Skyline Corp.	Hemet	400	Mobile homes, recreational vehicles
Southern California Edison Co.	Various	450	Utility
Southern California Gas Co.	Various	340	Utility
Sun World, Inc.	Coachella	300-500	Produce processing
Sunkist Lemon Products Div.	Corona	475	Processed lemon products
Toro Company	Riverside	500	Automatic irrigation sprinkler systems
E. L. Yeager	Rubidoux	500	Heavy construction

Source: County Department of Development and Community Economic Profiles.

Mineral Production

A variety of mineral products are mined in Riverside County, but the bulk of the output is iron ore, cement, stone, sand and gravel. Most of these are used locally to supply such basic industries as chemicals and primary metals.

Largest mining facilities in the County are Kaiser Steel's iron ore mine at Eagle Mountain and Riverside Cement Company's limestone operations at Rubidoux. Mineral production in the County is summarized below, based on the most recent data available.

RIVERSIDE COUNTY

Mineral Production (Tons)

Mineral	1976	1975
Iron ore (Kaiser Steel)	1,372,235	1,087,000
Limestone (Riverside Cement)	237,299	146,669
Sand and gravel	N.A.	3,636,000
Stone	N.A.	1,097,000
Clay	N.A.	296,000

Source: Riverside County Department of Development.

Other minerals mined in the County include copper, gypsum, lead, natural gas, peat, petroleum, uranium ore, wollastonite, and zinc.

Commerce

In the six years between 1971 and 1977, nearly 4,000 new taxable sales outlets opened for business in Riverside County. In this number were 973 new retail outlets, an increase of approximately 22%

over total retail establishments in 1971. Retail taxable sales normally account for about 77 percent of total taxable transactions in Riverside County. Taxable transactions in the County exceeded \$2 billion in 1977.

Accompanying exhibits present Riverside County taxable transactions by years since 1971, and a distribution of 1977 taxable sales volume by type of outlet.

COUNTY OF RIVERSIDE

Taxable Sales by Business 1977

(\$000 Omitted)

Type of Business	No. of Permits	Taxable Transactions
Apparel stores	434	\$ 75,339
General merchandise	274	263,341
Specialty stores	841	84,805
Food stores	534	180,764
Packaged liquor stores	133	42,879
Eating and drinking places	1,150	189,774
Household furnishings, appliances	554	72,363
Farm, garden supplies	186	64,827
Building materials	232	124,583
Auto, boat dealers	496	438,290
Service stations	538	196,031
Total Retail	5,372	\$1,732,996
Business, Personal Services	2,052	88,741
All Other Outlets	7,188	420,337
Totals, All Outlets	14,612	\$2,242,074

Source: State Board of Equalization.

COUNTY OF RIVERSIDE

Taxable Transactions (\$000 Omitted)

Year	Retail Outlets		All Outlets	
	Outlets	Transactions	Outlets	Transactions
1971	4,399	\$ 714,534	10,740	\$ 943,452
1972 ^①	4,564	853,171	11,368	1,119,295
1973	4,692	985,035	11,750	1,274,508
1974	4,747	1,050,831	12,225	1,369,029
1975	4,854	1,168,007	12,915	1,502,113
1976	5,042	1,380,941	13,716	1,775,716
1977	5,372	1,732,996	14,612	2,242,074

① Sales of gasoline became taxable July 1, 1972.

Source: State Board of Equalization.

Construction

Riverside County, like most parts of the nation, experienced declines in construction activity in 1974 and 1975. There was a rebound in 1976, and accelerated growth became evident in 1977. For the full year of 1977, total permit valuation of \$768,907,000 exceeded the total for 1976 by a substantial margin. Among large building permits issued in 1977 was a \$6.9 million permit for a 300-room hotel at Rancho Mirage, a fast-growing area in the Coachella Valley, and \$16 million for a hospital at Palm Springs.

The following tabulation summarizes annual building permit valuations throughout the County since 1972. During this period over 53,000 housing units were included in residential permits, with 71% consisting of single family homes. The tabulation reflects the high rate of construction activity in the County during 1977. A separate tabulation of high growth areas also presented below highlights the accelerated development in the Coachella Valley and Hemet areas. Palm Desert and Hemet reported valuation increases exceeding 200 percent over the equivalent

COUNTY OF RIVERSIDE

Building Permit Valuation (\$000 Omitted)

	1972	1973	1974	1975	1976	1977	Jan.-May 1978
Value:							
Residential	\$197,318	\$183,255	\$119,500	\$157,807	\$321,099	\$616,060	\$219,212
New Commercial	33,192	43,980	29,635	20,359	25,331	49,993	21,554
New Industrial	9,009	9,545	5,764	8,743	9,755	18,527	12,867
Other Non-Residential ...	46,954	43,135	30,069	39,720	46,763	84,327	26,784
Total	\$286,473	\$279,915	\$184,968	\$226,629	\$402,948	\$768,907	\$280,417
Number of New Residential Units:							
Single	5,379	4,993	3,223	4,195	7,131	13,154	4,044
Multiple	4,814	3,672	804	609	2,230	3,330	1,529
Total	10,193	8,665	4,027	4,804	9,361	16,484	5,573

Source: *California Construction Trends*, Security Pacific Bank.

RIVERSIDE COUNTY

Areas of High Building Activity

January-November, 1977

Area	Permit Valuation, January-November		Percent Change
	1977	1976	
Cities:			
Riverside	\$240,649,779	\$88,254,034	173%
Palm Springs	77,419,036	34,130,101	127
Rancho Mirage	69,514,488	25,661,764	170
Palm Desert	38,093,083	10,376,277	267
Hemet	32,465,373	9,719,649	234
Unincorporated Districts:			
Riverside	47,211,608	30,123,474	57
Indio	34,376,889	14,171,918	143
Lake Elsinore	33,229,564	19,879,151	67
Hemet	30,210,624	16,887,222	79

Source: County Department of Development.

period of 1976. Corona and Norco have imposed restrictions on new home building because of demands on public services.

Developer activity throughout Southern California is tracked quarterly by the First American Title Insurance Company. As of the third quarter of 1977,

residential developers had completed 13,453 units and sold 13,163 in the County since January 1973. The Coachella Valley was the most active area, with sales of 4,593 dwelling units, or about 35 percent of total County activity during this time. Results of the most recent quarterly survey are presented.

RIVERSIDE COUNTY

Developer Activity as of Third Quarter 1977^①

Area	No. of Units	Units Completed	Total Sales
Coachella Valley	8,396	4,961	4,593
Riverside-Rubidoux	8,177	4,493	4,393
Hemet-San Jacinto	2,334	1,438	1,541
Corona-Norco	1,923	1,525	1,621
Perris-Elsinore	1,254	761	729
Beaumont-Banning	369	115	133
Murrieta-Temecula	184	101	107
Shavers Lake-Blythe	93	59	46
Total	22,730	13,453	13,163

^① Single family detached, condominium, and planned unit developments with three or more units recorded since January 1973.

Source: First American Title Insurance Company.

Agriculture

Despite the increasing urbanization of the western part of the County and the northwestern portion of the Coachella Valley, agriculture remains an important part of the economy. The total valuation of agricultural production during 1977 was slightly less than half a billion dollars, a record total. Riverside was fifth among California counties in gross value of farm output in 1976 and eighth in 1977. The value of agriculture production for the past five years is presented in the tabulation on page 43.

In 1977 there were 31 million-dollar crops in the County, headed by grapes, grapefruit, cotton, alfalfa, navel oranges, lettuce, carrots, valencia oranges, lemons, and cereal grains. Table grape crops were valued at \$36,050,100. There were 11 crops valued at \$10 million or more.

Three areas in the County account for the major portion of agricultural production. These are the western third of the county, the Coachella Valley in the central sector, and the Palo Verde Valley, near the County's eastern border. While the County is one of the leading citrus areas in the nation, livestock and animal products account for the largest

dollar volume, as shown in the summary of annual crop reports since 1973 on page 43.

Riverside County's dairy industry is growing in importance. It produced more than 138 million gallons of milk with an estimated value of \$124,838,600 in 1977. A substantial share of this growth may be attributed to the conversion of dairy acreage in neighboring Los Angeles and Orange Counties to urban and suburban use, forcing dairymen into less congested areas. A similar growth is forecast for the citrus industry in the next few years as new plantings reach bearing age.

The Riverside County Agricultural Commissioner reports that the drought caused a modest curtailment in the production of potatoes, alfalfa, carrots and corn.

The rains of the past winter reduced the production of navel oranges by approximately 30%. This reduced production, however, had little effect on the dollar value of navel orange production due to the general increase in navel orange price structure throughout the United States.

Banking and Finance

Bank debits in the Riverside-San Bernardino-Ontario Metropolitan Area for the first six months of

1977 totaled \$22.9 billion, an increase of 15% over the same period of 1976, as reported by the Federal Reserve Bank of San Francisco. Bank deposits at June 30, 1977, were \$1,023 million, compared with \$830.5 million for the same date the previous year.

Equivalent data are not available for the County. However, in the City of Riverside, bank debits for 1977's first half increased over 36%, and bank deposits at June 30, 1977, were up 29½%, compared with the same date in 1976.

In 1976 there were 100 banking offices in the County and 55 savings and loan facilities, according to the County Department of Development.

Transportation

An extensive highway network links Riverside County with all points in Southern California and beyond. The Pomona Freeway (California 60) and the Riverside Freeway (California 91) connect the County with downtown Los Angeles and with Orange County. Interstate 10, a transcontinental highway linking Los Angeles with the East Coast, joins California 60 about 20 miles east of Riverside, serving the central and eastern parts of the County. U.S. 395 (now part of Interstate 15) is a major north-south artery joining Riverside and San Bernardino with San Diego. Other principal highways are California 74 (the "Pine-to-Palms Highway"), California 86 and California 111 to the Imperial Valley, California 71 to the Lake Elsinore recreation area, and U.S. 95 from Blythe to Needles and Nevada.

Route 91 (to/from Orange County) was the most heavily traveled highway into Riverside County in

1976, accounting for approximately 60 percent of all vehicle movements on principal highways serving the County.

Three transcontinental railroads serve the County, providing convenient freight service to major west-coast and nationwide markets. The Southern Pacific lines pass through Beaumont, Banning, and the agricultural areas of the Coachella Valley, while the main line of the Union Pacific between Los Angeles and the midwest serves the industrial northwest corner of the County. The Los Angeles-Chicago line of the Santa Fe passes through the City of Riverside with branches to Elsinore, Perris, Hemet, and the Palo Verde Valley in eastern Riverside County. A major division point and freight yards of Southern Pacific are located at Indio in central Riverside County.

Both Greyhound Lines and Continental Trailways schedule daily transcontinental routes through Riverside County. The Southern California Rapid Transit District provides inter-community and metropolitan service, while local bus lines in outlying communities connect with major carriers. The Riverside Transit Agency, formed by the County and eight member cities, serves the western county.

Regularly scheduled commercial air service is available at Riverside, Palm Springs, Blythe, and at Ontario International Airport, 18 miles northwest of the City of Riverside in San Bernardino County. In addition to Blythe, there are County-operated airports at Thermal, Desert Center, Hemet, Shaver's Summit, and Rancho California and city airports at Banning and Corona. The military airport at March AFB has a runway over 2½ miles long.

RIVERSIDE COUNTY

Value of Agricultural Production

	1973	1974	1975	1976	1977
Citrus fruits	\$ 64,544,000	\$ 37,047,900	\$ 71,683,000	\$ 74,401,295	\$ 75,112,000
Deciduous fruits	30,341,800	38,628,600	44,923,600	55,692,944	52,128,400
Vegetables	56,528,500	56,848,300	81,621,600	73,460,060	71,579,800
Nursery stock	4,697,600	5,920,600	6,115,500	6,513,400	9,658,400
Apiary	1,274,700	1,565,500	1,850,300	1,144,600	1,682,600
Field crops	44,597,600	58,927,300	59,258,200	65,718,017	58,184,600
Livestock and animal products ...	194,745,000	192,862,000	193,701,800	215,970,200	226,575,900
Total	\$396,729,200	\$391,800,200	\$459,154,000	\$492,900,200	\$494,921,700

Source: Riverside County Agricultural Commissioner.

Deep-water sea transportation is available at the ports of Los Angeles and Long Beach, conveniently reached via the Riverside Freeway.

Education

Public education in Riverside County is provided by eight elementary school districts, two high school districts, fourteen unified (grades K-12) school districts, and four community college districts. Approximately 93 percent of all students enrolled in the elementary and secondary grades attend schools in the unified districts. Largest of these systems are the Riverside Unified School District (1977/78 enrollment 27,372) and the Corona-Norco Unified School District (enrollment 19,973).

Four two-year community colleges are strategically located to serve the population centers across the County. They are: Riverside City College in the City of Riverside, the Mt. San Jacinto Community College near the City of San Jacinto, College of the Desert in Palm Desert, and Palo Verde College in the City of Blythe, near the County's eastern border. These community institutions offer two-year programs leading either to terminal degrees in technical fields or to entrance to a four-year college at the third-year level, plus adult education courses. Total enrollment in 1977/78 on the four campuses was 25,638.

One of the nine general campuses of the University of California is located three miles east of downtown Riverside at the foot of the Box Springs Mountains. Established in 1907 as the Riverside Citrus Experiment Station, the 1,000-acre campus now comprises the College of Letters and Science, the College of Agriculture, the Graduate Division, and offices of Agricultural Extension and University Extension, in addition to the Citrus Research Center.

Enrollment rose from 127 in 1954 to a current level of approximately 5,100. Modern residence halls make it possible to house approximately half the students on campus.

Also located at Riverside are La Sierra College, a four-year, Seventh Day Adventist co-educational college affiliated with nearby Loma Linda University, and the four-year co-educational California Baptist College.

Utilities

Southern California Edison Company supplies electricity to most of Riverside County. Natural gas is distributed by Southern California Gas Company.

Pacific Telephone Company serves the northwest section of the County, while most of the remainder is served by General Telephone Company of California. The Palo Verde Valley, including the City of Blythe, is served by the Continental Telephone Company.

Tourism and Recreation

Recreation, tourism, and convention business constitute important segments of the Riverside County economy. In 1976, the City of Riverside opened Raincross Square, a downtown convention center and meeting room complex. Probably the County's best known convention center is the City of Palm Springs, located about 50 miles east of Riverside in the Coachella Valley.

The climate and facilities at Palm Springs have gained national recognition and the number of visitors increases each year. The active Convention and Visitors Bureau promotes convention business vigorously. In this resort and residential area are more than 350 hotels, motels, and lodges, with an estimated 7,200 rooms to serve visitors. There are 35 golf courses in the vicinity, and championship tournaments attract thousands of people each year. The Bob Hope Desert Classic is probably the best known.

Another major tourist attraction is the Palm Springs Aerial Tramway, the world's longest continuous passenger tramway. It provides a spectacular fifteen-minute ascent from the desert north of Palm Springs to an elevation of 8,516 feet on Mount San Jacinto. The alpine setting at the summit of the tramway is a striking contrast to the desert below and offers a view of hundreds of miles. A Swiss-type chalet and restaurant are located here. In the San Jacinto Mountains, rustic Idyllwild is a favorite location for mountain homes and camping; along the foothills to the west is a string of mineral hot springs.

Recreational areas at Lake Elsinore, Lake Perris, Lake Skinner, and other developed lake areas in the County offer water sports, hiking, and a variety of outdoor activities. In the desert south of Indio, the Salton Sea draws many residents and tourists. Unique because of its location 235-feet below sea level, this 300-square mile State recreational area has commercial establishments, swimming, boating, and picnic grounds.

The Colorado River, which forms the County's eastern boundary, is a favorite spot for fishing and boating. Each October hundreds of boating enthusiasts gather for the Blythe River Days. The Blythe Marina and two parks provide facilities for visitors.

Joshua Tree National Monument, in the high desert country of north central Riverside County, has a great variety of desert vegetation and animal life to interest the visitor and vacationer.

The Riverside International Raceway, located just east of the Riverside city limits, features internationally known auto drivers in championship events.

The National Date Festival is held each February at Indio. In addition to the usual exhibits, this pageant has camel races, an Arabian Nights production, and a Queen Scheherazade contest.

Riverside County operates 25 parks covering more than 7,000 acres. The County is committed to a five-year program of park acquisition and development. The program includes improvement and expansion of nine existing parks and the acquisition and development of four new parks.

County Services

The County Free Library System is administered by the Riverside City Library under contract with the County. Twenty branch libraries are maintained, and bookmobile service is provided in the western part of the County.

Fire protection services are provided for the unincorporated area of the County and for cities which are part of the County structural fire protection system. This system is operated through a contract with the State Division of Forestry with headquarters in Perris. There are 35 County-owned fire stations and 9 State-owned fire stations.

The 447-bed County General Hospital in Riverside provides comprehensive inpatient and outpatient medical care to the population residing within the boundaries of the County.

The County Parks Department, in addition to operating park and recreation sites, also operates the Art and Cultural Museum and is responsible for the activities of the County Historical Commission and the Fish and Game Commission.

Sundesert Nuclear Plant

The San Diego Gas and Electric Company has suspended plans to build the Sundesert Nuclear Plant eighteen miles southwest of Blythe on the Palo Verde Mesa. The facility was planned to contain two nuclear generating units with a combined output of 1900 megawatts. Total estimated costs were \$2.3 billion. Participants in the project included the California Department of Water Resources, the Los Angeles Department of Water and Power, and the cities of Anaheim, Burbank, Glendale, Pasadena and Riverside.

A California Public Utilities Commission interim order barring rate increases to finance the project led to suspension of construction plans. Management of SDG&E announced that approximately \$104 million will have been spent at Sundesert after contract obligations are settled. It is expected that the Commission will allow recovery of the project's costs to date. Subject to Commission approval, SDG&E plans to maintain the site and water supply for future use.

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